

**LEGISLATIVE ASSEMBLY OF MANITOBA  
THE STANDING COMMITTEE ON AGRICULTURE**

**Tuesday, 9 September, 1986**

**TIME — 8:00 p.m.**

**LOCATION — Winnipeg, Manitoba**

**CHAIRMAN — Mr. C. Baker (Lac du Bonnet)**

**ATTENDANCE — QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Bucklaschuk, Harapiak (The Pas), Harapiak (Swan River), Plohman, Schroeder and Uruski

Messrs. Baker, Cummings, Findlay, Mrs. Oleson and Mr. Pankratz

**APPEARING:** Mr. Mal Anderson, Credit Union Central of Manitoba

Mr. Bob Hoffman, Credit Union Central of Manitoba

Mr. Phillippe Bentz, Office of Legislative Counsel

Mr. Tom Dooley, Legal Counsel

Mr. David Carrick, Legal Counsel

**MATTERS UNDER DISCUSSION:**

Bill No. 4 - The Family Farm Protection Act; Loi sur la protection des exploitations agricoles familiales

Bill No. 22 - An Act to amend The Agricultural Credit Corporation Act; Loi modifiant la Loi sur la Société du crédit agricole

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**MR. CHAIRMAN:** Committee, please come to order.

We were in the process of questioning Mr. Anderson. Any questions of Mr. Anderson?

Mr. Findlay.

**MR. G. FINDLAY:** I would like to congratulate Mr. Anderson and the credit union for the significant degree of work they had to go through to do the in-depth analysis of the bill that they did in comparing it with the federal bill and certainly in having a lot of discussion, I'm sure, in their ranks. It must have been a very difficult decision to come forward with and I congratulate you on the balanced and informative basis on which you presented it here today.

You mentioned several sections of the bill that you found difficult for your organization to support. I would like to ask Mr. Anderson what he would like to see done with the bill in total, Bill 4.

**MR. M. ANDERSON:** Mr. Chairman, through you to the member, I think we indicated in the course of our presentation that we believe Bill 4 was put together to

be as constructive and useful as possible. However, in our review of it and our subsequent discussions with staff of the Department of Agriculture, we indicated our concerns centering around the possible impact relative to lending and interest rates.

We also indicated that Bill C-117 had come into effect subsequent to the introduction of Bill 4. It was our view that what should happen is that Bill 4 should be put aside at this point and that Bill C-117 should be given a chance. I think we've articulated that on our paper. However, we do recognize, and I've looked at a number of studies, the Saskatchewan Wheat Pool Study and some studies from our sister province, that if Bill C-117 is not successful to the extent it is, that other steps will have to be taken.

We would like to emphasize again that we believe it's a long-term structural problem and that we have a lot to do, not just in dealing with interest, lending and so on. The results of any study we've seen are showing farmers going into a negative cash flow on a very large basis and that's a result of commodity prices and input costs resulting in very negative positions for them.

So that's our position at this point. But we want to hold it open because we all have to work together and, as we've emphasized in this paper, we have a big stake in the rural communities in Manitoba. So we want to be there to make sure that industry remains viable.

**MR. G. FINDLAY:** Thank you. But in a nutshell, you are suggesting that it be removed in this Session of the Legislature but held in abeyance for introduction in some form down the road if the need arises?

**MR. M. ANDERSON:** I think we indicated in our brief that we'd like about a year of seeing how Bill C-117 operates.

**MR. G. FINDLAY:** If Bill 4 was passed in its present form, what percentage of your clients do you see as being people that you would believe are too high a risk to continue lending to them, starting in 1987?

**MR. M. ANDERSON:** Mr. Chairman, our system, unlike the competition, the royal treatment that some of you get, is not centralized, and when we try to collect data on our system, we have to go through an overall collection process. We have a good understanding of what our total ag. loan portfolio is, and I would suggest to you that it's second only to one large bank and, in fact, I know that's the case.

We also know how much of our ag. portfolio is what we would call marginal, and how much is in a real problem. For me to say to you if Bill 4 were passed, we will treat these people differently or we won't deal with them, is a question I cannot respond to, the reason being that we, as I've indicated in this, want to work with the farmers. We have to work with the farmers; we've got those loans on our books. We're not going

to be turning people out. What we're saying is that we have these loans on our books; we'll have to do credit workouts as best we can with them. The issue will then become the restricted credit to the balance of the people that are looking for credit. You can't move people off your books; you just can't move them off overnight. So for me to give you an answer that it's \$1 million or \$100 million worth of loans, I think, is something I am not in a position to do.

**MR. G. FINDLAY:** Do you have, or would you be working with risk levels?

**MR. M. ANDERSON:** Yes. As I indicated, the loans that you have on your books, you have to deal with in one way. It's easy to make the decision, which is a yes or no, on new credits coming to you. The difficulty will be on credits that you have on your book that require a workout. In those cases, we're going to have to look at them with a view to what we often call protective disbursements, to make sure that they - if there's a chance of viability, we'll work with it.

**MR. G. FINDLAY:** What dollars do you have invested in the agriculture industry in Manitoba right now?

**MR. M. ANDERSON:** Our view at this point and time is that we have over \$300 million in the agriculture sector. We have \$150 million of that which is primarily dependent on cereal grains, and we have \$150 million of that which is secured by land. Those two do not necessarily coincide because some of the land portfolio is also secured by, or the cereal grain portfolio is secured by land. We believe that to be a very significant portfolio.

**MR. G. FINDLAY:** Have you been involved in making arrangements with some of your difficult accounts, arrangements of the nature that, say, the banking establishment identified they are making, set-aside arrangements.

**MR. M. ANDERSON:** Yes, we have.

**MR. G. FINDLAY:** To what extent have your losses been on that \$300 million, say in the last year? I'm thinking of trying to compare your figures with the figures that were presented last night by the CBA?

**MR. M. ANDERSON:** Again, Mr. Chairman, our system, unlike the Royal Bank, is not a centralized system. When we did our analysis, what we found was that of that \$300 million, we have in excess of 10 percent that we would call in difficulty. Whether I could say to you that is an absolute loss, that is an unfair thing, in serious difficulty we would have about 4 percent to 5 percent of that portfolio.

**MR. G. FINDLAY:** Then your figures are very consistent with those figures presented by the CBA, in terms of the provincial norm?

**MR. M. ANDERSON:** The ag. industry is constant. We're all in the same lending areas. In fact, we're aware that we have some of the same portfolios.

**MR. G. FINDLAY:** In terms of the bill, if it's passed as is, have you identified any percentage of farmers that would be helped by the bill?

**MR. M. ANDERSON:** I think I tried to highlight in our presentation, when we did some comparisons and you looked at it, that over 90 percent of the problem cases we had required further injection of cash. The bill was not drafted for the purpose of providing further injection of cash, but rather was provided, we believe, for two purposes other than the objects of the act 1) to give time; to have a review to take a look at it. We've indicated we support that. The other was to, if possible, keep the farmer on the land.

Our view is that if you have either of them through the moratorium process or, in fact, through, I guess what we would describe the non-moratorium process where the judge would defer the application - I believe that's at the beginning of the section - that he can either adjourn, he can grant the release sought or he can grant such other, I believe, it'll be such other procedural relief.

But that in adjourning this particular area effectively, they could leave the farmer on the land, but leave you and the farmer in the very difficult situation of not having the credit to support what he may need to either take the crop off or put a crop in, depending on the time of the year.

The difficulty then becomes for the lender to assess the situation and say, am I going to give more dollars into that area? Bill 4 was not designed to help make those decisions. What it was rather designed to do was No. 1, in our view to give this review, and we support that, but we don't believe that leaving the farmer on the land without the necessary funding is going to be productive for either the farmer or the lender.

**MR. G. FINDLAY:** You identified that in an analysis of Saskatchewan, if I remember right, in your presentation you said \$1 billion was put up provincially to go along with the legislation or support the legislation. What kind of money do you believe is needed to support this bill in the Province of Manitoba and where should it be directed?

**MR. M. ANDERSON:** Well, you have to keep in mind that the Saskatchewan agriculture portfolio is significantly larger than Manitoba's. I was trying to do some cross-references on that. Saskatchewan, I would believe would have a total portfolio of about \$5 billion, somewhere in that area. Our portfolio, if you added up what the banks told you last night, that they said 875 - we've always guessed them to be a little higher than that - ours is about 300; you're at \$1.75 billion; MACC is probably around 200; trade credit - throw it in, maybe you'll get yourself up to \$1.5 billion. So you can see that there is a factor of slightly over three and a half times in the Saskatchewan.

The Saskatchewan situation then has these two factors: (1) It has a much larger portfolio; (2) it had, I think, two years of drought which had really knocked back the farm cash receipts, so the \$1 billion that was provided - and it's over 1 billion - was provided on the basis of \$25 per acre, 6 percent interest, repayable in three years, and a maximum 100,000 per individual farm, 200,000 per. So, we aren't able to apply that same formula, but if you made an extrapolation based on portfolio size, which wouldn't be fair - the number would be something like 300 million - but we don't

have the same problems here in terms of two years of drought.

**MR. G. FINDLAY:** You certainly mentioned in your brief that you would be - you said no to the moratorium portion of the bill. What is your feeling with regard to the potential of court-ordered write-down?

**MR. M. ANDERSON:** Mr. Chairman, in working with staff of the Department of Agriculture and with the legal firm that's been involved, and with our own lawyers, we believe that the sections of the act which gave the appearance of a court-ordered write-down, 9, 8, 13(9), I believe, that there will be some amendments put in place to clarify that there is no intention for court-ordered write-down. If there were court-ordered write-down, again our view is one of an arrangement was struck between borrower and lender and if the lending is to be changed through court-ordered write-down, then we would have to reassess how we do our lending.

**MR. G. FINDLAY:** Since the province doesn't have apparent legal jurisdiction over livestock and equipment, what is your belief in terms of the disposition of these components of the present bill?

**MR. M. ANDERSON:** Mr. Chairman, we indicated in our presentation that given, again, that Bill C-117, to have clearly defined authority in the areas of chattels that you described, that that bill has come in since Bill 4, that it would be our preference to see Bill C-117 operate relative to those chattels.

We've again had discussions with legal counsel. It appears to be unclear as to who has authority. There may be certain provincial authorities over those chattels. There is a farm machinery and equipment act in place which puts some onus on us relative to new pieces of equipment.

So I think it would be best for me to sum up by saying again we would like to see Bill C-117, which we know has those authorities left, to give a try for about a year and see where we go from there.

**MR. G. FINDLAY:** Yes, I appreciate that's what you'd like to see happen, but the federal act is in place and the province is intending to pass this bill with those portions included. Would you like to see them remain in there or removed before the bill is passed?

**MR. M. ANDERSON:** I'd have to preface by saying that I had indicated to you earlier our preferences that Bill 4 be set aside while Bill C-117 operates and that includes those sections - includes all sections.

**MR. G. FINDLAY:** In the mediation process as is presently written in the bill, there seems to be an unlimited period of time for resolution involving the court and the hearing and the farmer. Would you like to see that section of the bill tightened up so there's more specified periods of time?

**MR. M. ANDERSON:** Again, we have worked our way through that bill and we believe there to be fairly definitive periods of time with the exception of when

the court hears you. Our understanding goes like this - and we would do this simultaneously - effective on the date that you wish to seize, you would file with the review boards and Court of Queen's Bench, the fact that you were going forward. Then there would be up to 120 days would go through before. It's not expected that it would go that long, but it could go as long as 120 days before a report came back to the court and the court would then have to make ruling. The problem that we see is how long is the court docket and that's where the undetermined period of time would come into play.

**MR. G. FINDLAY:** Do you see that The Rural Transition Program and the federal bill has a significant role to play in terms of helping those farmers who believe that their farming career is at an end and they want to get into some other walk of life?

**MR. M. ANDERSON:** Yes, we believe that, as we've indicated, all farm units will not be able to survive and it is, I think, only reasonable to provide a transitional program, much as we have with other groups of employees and workers, to say we are providing you with some bridging into another area where you can continue to be a productive Canadian citizen. So we support the transitional program from that.

**MR. G. FINDLAY:** If the bill is to be passed with all the sections presently in it, almost intact, would you like to see a sunset clause on the moratorium section?

**MR. M. ANDERSON:** The sunset clause at the end of the moratorium is only one aspect of it. As we indicated in our presentation, it's the uncertainty as to when the beginning will be imposed. That's why we had made some suggestions when discussing this bill, that don't have it open-ended as to it can be passed by the L.G. in C. at any point and time, but rather that it would say: One year from the date of proclamation by the L.G. in C., this will come into effect. That then gives time for consultation between farm groups, lenders, government and working towards a more stable climate, given a moratorium.

**MR. G. FINDLAY:** Just one last question. You had mentioned in your brief that because Bill C-117 is presently in place there seems to be - I think you mentioned one case - a desire to settle before the farmer applied to the Debt Review Board. I think you used the term, "wanted to deal ahead of having to go to the board." Are you saying that the presence of the board is a bit of a lever to make you deal with the farmer?

**MR. M. ANDERSON:** No. What I was indicating was that - I tried to give you an analogous situation to what we have presented relative to Bill 4, that Bill C-117 will, as well as Bill 4, create problems where trade credit and so on can dry up because of the publicity that surrounds a farmer's financial situation being made public.

We had a situation where we had indicated to an individual that we were going to go forward under Bill C-117. He didn't want to have to come back within his

15 days and advise the board that he wanted a hearing, because he knew the day they did that, I believe under Section 20 of Bill C-117, you have to serve all the rest of the creditors. He knew that once he had served all the creditors, the jig was up so to speak.

So what we were saying to you in both cases, be it Bill C-117 or Bill 4, whatever, the adverse publicity that surrounds making these things public is going to be very difficult for the farmer to continue to operate.

**MR. G. FINDLAY:** Thank you.

**MR. CHAIRMAN:** The Member for Ste. Rose.

**MR. G. CUMMINGS:** Mr. Chairman, my question to Mr. Anderson - I've been looking through the presentation again and if you addressed this question previously, I apologize. Would you give us your opinion of what the ramifications would be if this bill were passed but not declared?

**MR. M. ANDERSON:** Uncertainty is difficult to deal with in a financial lending institution. We have indicated in our presentation that whether or not - and I deal with one section, being the moratorium section, and I think you can apply that then to the balance - that if it's not declared but is there, then there must be a reason why the act is in place. It is the uncertainty as to when it will be imposed that is our concern.

**MR. CHAIRMAN:** The Minister of Natural Resources.

**HON. L. HARAPIAK:** A couple of brief questions, Mr. Chairman.

I wonder if Mr. Anderson could give some indication of what is happening in terms of the amount of credit available. I think you indicated that there was some \$300 million in credit extended by credit unions in the province at this time. How does that compare, say, with the previous year? What sort of direction is that moving?

**MR. M. ANDERSON:** It is our view that the amount of agriculture credit that the credit union system has out is growing over the years. Again, recall that I indicated we have to do surveys every time we want to get a reasonable handle on it and we haven't done the kind of qualitative survey that we did in this particular instance before, but from information that we were able to track, it would appear that our system has been providing more credit since, let's say, '82, '83 and '84 to the farm community. Now that's just an extrapolation based on some numbers we looked at, so I can't tell you quantitatively, is it 10 percent higher or 15 percent higher, but it looks like we put more money out.

**HON. L. HARAPIAK:** I was hoping that you might have had some firm figures on that.

The other item that I wanted to relate that to was the number of people that you were loaning to, to get some sense of whether you were lending to more farmers, or were individual farmers taking on more credit.

**MR. M. ANDERSON:** I wish we had that answer. We did, again, when we collected the numbers which

provided that \$300 million figure, produce a number that we are dealing with about 12,000 farm units. Now there may be multiples because two credit unions may be dealing with one person. Given that there is approximately somewhere between 25,000 and 30,000 farm units, it would seem reasonable that that number is in line.

I'm sorry, we don't have the kind of analysis that we did this year for previous years. We phoned every credit union, we sent out surveys, we then phoned them back and we wanted to know where the marginal counts were, the problem accounts, and the total portfolio.

**HON. L. HARAPIAK:** Would you speculate - it may be unfair to ask you to do this - but would you speculate as to whether farmers are having to rely to a greater extent on credit in, let's say, if we took this year as compared to the previous year?

**MR. M. ANDERSON:** I will speculate and I'll preface it with this: that I based my speculation on both the Saskatchewan Wheat Pool study and our general experience in the system; that given that people borrowed in the late Seventies and early Eighties with high land values, and that as I mentioned earlier and I'll again state it, we may be architects as lenders, we may be architects for a lot of our own problem in that we were always security driven when we were lending. We were lending against land values of \$1,000 an acre, \$750 an acre. Those values fall off and when you start then looking on a cash flow basis at the operator, you find that he's in a negative cash flow for two or three or four years.

I personally reviewed a number of files where that, in fact, is the case and that negative cash flow, before living allowance, creates a situation where, yes, we have to keep refinancing. So what we're refinancing against is his net worth and so his net worth keeps going like this and that's not doing him any good or us any good because the cash flow isn't there to support the debt.

That kind of view then leads me to believe that, yes, they are becoming more reliant and the Saskatchewan Wheat Pool study on the land transfer policy options supported that was happening in many, many cases, that there was an erosion of the net worth given land values and it wasn't just paper any more, because they were starting to turn negative cash flows.

**HON. L. HARAPIAK:** I think there is information that is shared from the central and among individual credit unions with respect to trends. What kinds of projections are you sharing with the system when we look at net incomes, and let's say grain prices, as we look perhaps into 1987?

**MR. M. ANDERSON:** I'm sorry, I'd have to defer to our agricultural lenders. Bob, do you have any view?

**MR. B. HOFFMAN:** At the present time, it's difficult to project . . .

**MR. CHAIRMAN:** Would you go the mike, please. What is your name again?

**MR. M. ANDERSON:** Bob Hoffman, who is our agriculture manager.

**MR. B. HOFFMAN:** At the present time, it's very difficult to make any projections on into the future in that we do not know the status of today's markets. We're in a position where the countries we exported to in the past have now either reached self-saturation and some are in a position to be in exporting positions. We have situations, such as the U.S. subsidy, that is affecting our market substantially - to what degree we don't know - and it's very difficult to predict what's going to happen for next year, so we haven't been sharing that at this point in time until we can get a better handle on it.

**HON. L. HARAPIAK:** I can appreciate that it is a very difficult projection to make, but I think it points out one of the difficulties that farm operators face in the sense that many of the decisions that are made with respect to farming are long-term commitments on the basis of prices that are very much unpredictable.

**MR. M. ANDERSON:** I think, Mr. Minister, we tried to emphasize that in our brief, that we believe this is a long-term structural problem. When our farmers are trying to compete with the German farmer whose 72 cents of every dollar he gets is subsidy, and 50 cents in the U.S. is subsidy, it's very, very difficult for our people to deal.

**HON. L. HARAPIAK:** Just on that very point. I wanted to take that further and look just briefly at the question of interest rates. I think on Page 14 of your submission, you indicated that if Bill 4 did go through, it would have an impact on interest rates, but you as well indicate that Bill C-117 is having an impact on interest rates. Is that correct? Is my understanding of that correct?

**MR. M. ANDERSON:** No. What we indicate is that we believe any bill that affects the costs - maybe I can provide an analogy related to the government. I thought about that whole issue, how I could express it. If you set up farm debt review panels and farm debt review boards, there's a cost to that. That cost will show up in the budget. I guess there's Committee of Supply going on right now. There's only one way that money will be recovered and that is through taxes, or if you wanted to get into a fee structure.

It is the same with our system. If there are additional administrative costs that we have to bear, somewhere they'll have to come back. Now, that could either be through - I think somebody made an off-hand reference last night to the banks' surcharges and little tag-ons that they have started to provide or through interest rates. Our system, we have to try and balance the inflows and the outflows just like the farmers do.

We indicated, Mr. Minister, that we are not trying to say when or how much, but we believe that has to be the logical result. If there are additional administrative costs and there are additional loss costs, then they have to be recovered.

**HON. L. HARAPIAK:** I guess I'm prepared to accept that position. I won't argue with that, but there could well be a cost.

But what I was trying to point to here, that even in the absence of Bill 4 there could be some variation,

there could be some impact from existing, so my concern is only that when the concerns are shared around this table with respect to some of the possible implications of Bill 4 that we not look at it in isolation of the other factors which could have an impact on interest rates.

**MR. M. ANDERSON:** Mr. Minister, we did indicate, and it was very carefully throughout our paper that we did indicate this, that Bill 4 is only one of many factors. Bill C-117 is going to have many of the same results, but possibly to a less degree given that it doesn't have the same kind of involvement.

**HON. L. HARAPIAK:** Is it your view, Mr. Anderson, that governments should not become involved in that marketplace that governments, whether provincial or federal, should leave it strictly to the marketplace to determine sort of the outcome?

**MR. M. ANDERSON:** Mr. Chairman, through you to the Minister, that was a question that I personally have looked at. I can't say that at this point that I'm speaking on behalf of the system, because there is a wide variety of views; however, as I indicated earlier, the subsidies that are in the EEC and the U.S. are massive.

If we want our farm units to survive, there's going to have to be some sort of programs put in place. You can't compete on an uneven footing. I guess that's the best way I can describe it. I looked through, again, the Sask. Wheat Pool study, and it came out very clearly that, in order to survive, many of the people believe that there had to be some kinds of program. You know, the Crowsnest Pass freight rate was a subsidy. That's gone to certain extents and that affects people as well.

**HON. L. HARAPIAK:** I'll just close with two comments, that (1) I think you make a very valid point in terms of the competitive environment for the Canadian farmer, that we don't operate - and I'm speaking now as a farmer - in isolation of what happens elsewhere. If there is the assumption that the market by itself will be the determinant, we can't ignore what is happening in other jurisdictions. I think you make that point.

The other point I would want to make, and I would want to compliment you and the others from the credit union for, your comments which clearly indicate your commitment to the agricultural community and your desire to work cooperatively in addressing those issues that face, not only the farmers, but really all of rural Manitoba.

Thank you.

**MR. CHAIRMAN:** The Member for Roblin-Russell.

**MR. L. DERKACH:** Thank you, Mr. Chairman. Mr. Anderson, first of all, may I say that I was impressed by your presentation to the committee this afternoon. I have a couple of questions.

First of all, from speaking with many farmers in the area that I represent and farmers who depend very heavily on borrowed capital or operating capital, there is indeed a nervousness with regard to the outcome of what might happen if this bill is passed. From the many managers and farm lending specialists that you

have, do you sense this kind of nervousness throughout the province from farmers who, in fact, depend on borrowed money to a large extent?

**MR. M. ANDERSON:** Mr. Derkach, the way you asked the question was, do I sense it from the farmers? I don't have that much in direct contact with the farmers other than those farmers who are on some of the boards that I have been dealing with so, therefore, any answer I give you is related to my personal experience and I would again relate to uncertainty; uncertainty over a lot of things causes a lot of nervousness. If there's an uncertainty that they'll be able to get their operating lines, be able to get their credit to the extent that they would like to get it and whether that's caused by economic conditions, climatic conditions, conditions such as might be presented through Bill C-117 or Bill 4, there's nervousness. There's nervousness in the industry, though. That's the thing we emphasized at the beginning of this presentation. We emphasize again, structurally this industry has - I wish that I could look down the road and say three years from now you won't need a Bill 4 or you won't need a Bill C-117. Three years from now we may be sitting here talking about the fact that gee, that was a mild piece of legislation we were talking about and we've got to do something new.

There is nervousness in a lot of areas. I could give you two examples of farms I looked at where one farmer had - he was only a half-a-millionaire; I think we heard millionaires talked about - our system, I guess, doesn't deal with millionaires. But he was half-a-millionaire in '82; he had 200,000 in '85.

Another situation in a similar area: He had a quarter-of-a-million in '82; he had 100,000 net worth in '85. The guy still keeps going; he keeps looking at it. We're saying, we're not helping each other anymore because you're losing equity because of prices, input costs, your leverage, and there's nervousness. I mean, the guy's looking at it and saying what am I going to do next year? And we're looking at it saying, how can we help you by lending against that equity that's there that may dissipate, which is your last vestige of your family farm? It's not going to do either of us any good.

**MR. L. DERKACH:** If Bill 4 is passed, will the credit union be changing its criteria for lending? By that I mean changing the criteria in terms of the amount of equity a farmer will have to have in order to borrow funds, more stringent loan guarantees, and that sort of thing. Will this be an area that is going to be affected should Bill 4 pass in its present form?

**MR. M. ANDERSON:** Mr. Chairman, in our presentation we outlined that there's a whole series of things going on. Bill 4 adds a further complication to those things.

I can tell you that given grain prices, given eroding land values, those things are happening now in terms of that we are less security-oriented, in the sense that we used to lend against security. If a guy had security, you lent against it. We are now more cash-flow oriented. We say, has the person got the ability to service the debt? We will continue to tighten up for all the factors.

If Bill 4 is passed, it will be another factor that will contribute to it. How you can measure it, I couldn't tell

you. I can't say that if Bill 4 is passed, it adds 2 percent or 3 percent or 5 percent to the tightening of our credit analysis that we do. We're doing it now; we're working hard at it. We have to do it now because the amount of lending that was done in the late Seventies and early Eighties against land is now coming back to the extent where that land - we've got people who have borrowed against the land and the market value of it is far less than what they borrowed with when they may have had 75 percent leverage against it.

**MR. L. DERKACH:** Just one last question. Through your presentation, Mr. Anderson, you certainly displayed an attitude of cooperativeness, or willingness to cooperate with the government. I'm wondering, if the Minister would see it in his wisdom to set aside this bill for a year and give Bill C-117 a chance to work, and should we at the end of that period find that Bill C-117 is not doing its job, would your organization then be willing to suggest and work with the Minister to develop legislation which in fact would be more meaningful and help the strapped farmers of Manitoba?

**MR. M. ANDERSON:** Mr. Chairman, we've indicated today we're prepared to work at cooperative development of legislation. We have been working with the Department of Agriculture. I sometimes don't know how they tolerate my daily phone calls and chasing them down, but we have been working with them.

We've also been working on the other side to try and figure out what's going on in the system with the farmers, with the lending. We've made suggestions to the Department of Agriculture to this point in time, as we've indicated in our brief. They have indicated that those suggestions, some of them would be implemented, but that they feel they have to go forward with Bill 4.

We've indicated we would rather see Bill C-117. If the time comes next year that we're dealing and Bill C-117 hasn't been effective, we'll sit down again and give our views and try and develop it as cooperative legislation because we are over 60 percent rurally based and we've got to protect that rural community. So we're going to keep working at it.

Yes, the answer in short.

**MR. CHAIRMAN:** The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, in your brief you indicated on page 15, "Given that bill 4 will require a lengthy process through the courts, it is unlikely that a credit union will be able to spend as much time trying to work out the credits as they have been in the past." If I understood your submission, or the tenor of your submission was that you will be much more cautious in your lending approach. If that is in terms of how you're going to approach it - and I can see that, because all lenders have become more cautious and I would say more conservative in their approach to lending - I'm not sure that I understand your comment there that you won't have time to work out credit arrangements for farmers or be able to deal with that, as you stated in your brief.

**MR. M. ANDERSON:** Mr. Chairman, to the Minister, when we were dealing with the department, we indicated

that because of having to go through the courts and having to go through this process, and that foreclosure takes an inordinately long period of time right now, what we would like to do, given that we're going to lose a lot of that time frame - in other words, we have to go through all of this process before we can start foreclosure - we indicated that we would prefer to see some parallel processes where you could simultaneously do some of the things that were required to get the foreclosure underway and then be dealing through the review panels and so on. Through that process, we hope to be able to shorten the period of time.

Given that we were not able to develop that kind of process, what we're then saying is because we have to go through all of this process and then at the end we'll start off with the foreclosure, given that we've been reasonable and that we've made every attempt, then we've lost that front-end period of time. So what we're saying, given we're going to lose that front-end period of time, we would probably back up and say okay, now we won't be able to spend the kind of time we used with the individual working it out. What we'll do is get the process underway and then sit down and be trying to work it out because we can't have a parallel process going on.

So it will trigger our action sooner than later. I don't know if I've explained it well enough.

**HON. B. URUSKI:** In fact the bill envisaged that lenders may wish to. Seeing some of the examples that you've put forward just earlier in comments, through the peer advisory panels, we do envisage trying to deal with the financial difficulties that farmers have ahead of time, before they reach the crisis proportion stage, so that you may be able to avert the foreclosure proceedings that you're speaking about.

Have you examined that process as a possibility of being of benefit to creditors rather than being a hindrance and being, in fact, a slowing-up process or a less intricate or less detailed process than you would like to have, because you want to start the process off sooner.

**MR. M. ANDERSON:** Mr. Chairman, through you to the Minister.

Yes, we looked at the situation and maybe I could try, through an example, to indicate if we have a situation today where our board of the credit union, our management of the credit union board, works through and comes to the conclusion that they have to foreclose, then they would start foreclosure proceedings. They know that takes an inordinately long period of time. We said if we really rushed it, pushed it, and we're talking six months, ten months, something of that nature. So it's that period of time where you're looking at foreclosing, where the asset value has got to be managed and watched and so on.

Given that we know we have to go to a review panel who we believe - again we may be overrating our judgements in this area, but I think that, on balance, we've been pretty fair. We believe that we will still come to the conclusion that we're going to have to go for the foreclosure, and the review panel will also come to that conclusion. But given that we now have to go through this process of going to the court, tabling our

document and then going with the review panel and having a review, be it of five days or a 90-day period, whatever, that they will probably come to the same conclusion because we worked hard at trying to make the case before we went anywhere, but we will have lost those 120 days in that already elongated process.

So what we had asked was: Could it be possible to, in parallel, start some of the foreclosure processes without taking the land, because the objectives of the act are to say, keep the man on the land. So that we could shorten that down, given that it wasn't possible then we said, we'll have to trigger sooner than later.

**HON. B. URUSKI:** Recognizing that the time processes in both C-117 and in this bill could be very close, if not identical, could you comment as you had done in terms of . . . If I'm understanding your comments relating to the courts, have you made the assumption that most of the cases will, in fact, end up in court in order to be adjudicated by the judge because there will not be an agreement reached between you and the client in the negotiating process through the mediation board.

Yet the experience in Saskatchewan, as I understand it, about half of the cases - I think it's about half that were mediated - were in fact resolved without reaching the actual court stage, even though the court is involved in the process; so that the involvement and the lengthy process that you talk about in actual practice may have been somewhat overplayed.

**MR. M. ANDERSON:** Mr. Chairman, to the Minister. Two things: Under Bill C-117, the only time we would go through the hearing process there is if the farmer were of a belief that we had not been fair, and that there should be a review and there were some options.

Given the difficult farm situation, I can't tell you how many people are going to feel that way. Maybe nobody will. Then we will have every caseload of the mediation board's under Bill C-117. It's our view that there will be some element of those people where there will not be an application to have the process. Then those will move much quicker than Bill 4 would.

Under Bill 4, on the other hand, when you start the process, you go to the court, the board reviews the case, then they would send their report back to the court and the court would then make the judgement.

**HON. B. URUSKI:** If there was no agreement.

**MR. M. ANDERSON:** If you don't make an agreement. Again, given if we believe that we work at trying to come up with every possible solution, it would then be our view that the majority of those cases that we would take forward, would have elements to them where there was going to be the farmer being concerned about how we dealt with him, and therefore he would object and we would probably end up with the court having to provide some indication as to how the thing . . . whether it would be adjourned, whether the relief sought, be granted or that such other procedural relief be put in place.

So it's for that reason that we believe there would be a greater time involvement through Bill 4. Perhaps, Mr. Minister, I could indicate to you the numbers that

we've been able to glean out of the Saskatchewan system. That bill was passed on December 19, 1984, and from the day that act was passed until May 26, 1986, now that's the most current information we have, 638 notices of foreclosure have been received by the board, with 536 farmers involved. I haven't been able to get a good analysis as to why only 536 farmers - there must have been a multiplicity of foreclosure actions. Of these, 20 cases were withdrawn before investigation; 128 were mediated; 208 went to court and the balance are still in process. Of the cases going to court, 88 favoured the creditor and 57 favoured the farmer. So that was the most current information we had. I guess we try to look at ourselves and say well, we think that our lending practices and our habits are such that . . . We may be overstating our position but we believe that we would be in the minority of those kinds of cases.

**HON. B. URUSKI:** So that in fact, in terms of those that went to court, then it would be roughly about 40 percent were mediated, about 60 percent ended up in court.

**MR. M. ANDERSON:** There's all those, Mr. Minister, there's all those in process.

**HON. B. URUSKI:** Yes.

**MR. M. ANDERSON:** There's 356 out of the 638 foreclosure notices.

**HON. B. URUSKI:** Of those 57 that favoured the farmer, those were as a result of the court reports prepared. Those would not have ended up likely in court. There would have been a settlement made.

**MR. M. ANDERSON:** No, the 57 that favoured the farmer, I would believe the court would have said that the farmer should be favoured, that somebody had really fallen asleep at the switch. Those shouldn't have gotten to court, if they went that way, that's the point we're making. As I say, it's our view that because we have local boards and local people involved, and we'll have some slip through, I've got to be very blunt about it. But in general, we're saying we don't think that those kind should slip through our net too greatly.

**HON. B. URUSKI:** In fact, in our checks I'm advised that most of those were actually withdrawn, applications were withdrawn by the creditor before they went to court, once the report was received and as a result they were settled without ending up in court.

I ask you one question, and no doubt you've heard me before, that many of the financial institutions have, in fact, been involved as a result of the economic circumstances facing farmers, involved in the Provincial Loan Guarantee Program. The credit union system has not. Can you tell me why you have not participated, in view of your comments of the costs involved and other needed public resources to shore up farmers, you've not seen fit to take advantage of the Loan Guarantee Program as other lenders have done to the tune of in excess of \$100 million.

**MR. M. ANDERSON:** I believe that there were discussions between the credit union system and the

government, circa 1984, I guess somewhere in 1984, perhaps earlier, I'm not sure of the dates when that program was introduced. The credit union system, I have to speak for it today, speak for it back then, had trouble organizing itself and getting itself together because I believe the guarantee applies to the whole, and the guarantee, I believe, relates to 20 percent of all of your portfolio and the credit union system was not able to get together to say well we'll take and put all our portfolio together and deal with it. For that reason, I guess we were not as constructive in picking up that particular program as we should have been.

Subsequent to my arrival, I was made aware of this particular situation. I have dealt with Mr. Hoffman to examine the possibilities of getting into that program because, you're right, we need to look at every possible program that's there, guaranteed programs and so on. We missed and I acknowledge that.

**HON. B. URUSKI:** I only make the point that we did pass regulations allowing for credit unions to be dealt with as if they were one institution to make sure that the kind of organization and the restructuring within your system could take place so that we would not be treating you any differently than we treated any other financial institution. That was done; in fact, the negotiations were initiated, although you were not there, and I acknowledge that.

**MR. M. ANDERSON:** No, I'm speaking for the system. We missed and now we're re-examining.

**HON. B. URUSKI:** There's one other question dealing with the public knowledge of the reports. As I understand the present process of repossession, there is notice filed in a registry that land is going to be repossessed and, of course, that is available.

But I understand that in the process of our legislation, and maybe I'm not quite correct, that the notice, in fact, would go to the farmer and go to the court and go to the mediation board. All the creditors would only get involved at the time when the board actually would be dealing and negotiating when they would have the report from the farmer and have the report from the lender who was repossessing. All creditors at that stage of the game would be called in rather than giving notice to every creditor.

Is that a different process than under C-117, because I thought you said with C-117 everyone is notified even before any mediation process occurs?

**MR. M. ANDERSON:** You're correct, Mr. Minister, but there's a couple of things that happen. Under Bill C-117, as we understand it, and again, it's just starting and so on, if the applicant files within 15 days to have his case reviewed, then notice is sent, I believe it's under Section 20, to all other creditors that are involved. That's generally what happens; I won't quote the section of the act.

Under the process, as we understand it - and we've talked to our solicitors about this - of Bill 4, once you make your application to the court, the Court of Queen's Bench docket is a public record. It's a question of whether the digest or whether the - and I can never remember the name of this - it's a for-profit publication

that's put out; it picks up those and then publishes them and then lenders pick it up - is what concerns us as to how that publicity comes about.

But you're right; the bill itself doesn't require it. It is the process of having that lodged in the Court of Queen's Bench that will result in there being some public view of the particular situation of the farmer.

**HON. B. URUSKI:** Mr. Chairman, I want to thank Mr. Anderson for coming back this evening and providing us with his views and comments on behalf of the credit union system.

Thank you very much.

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. H. PANKRATZ:** Thank you, Mr. Chairman.

I also must state that I really enjoyed this presentation from Mr. Anderson. But, Mr. Chairman, would the Minister allow me to ask him a question?

**HON. B. URUSKI:** We'll be going into clause-by-clause, Mr. Chairman. Once we get into clause-by-clause, all the questions that members may want to place, the debate will be open at that point in time.

**MR. H. PANKRATZ:** Well, I think maybe that would add to a few questions that maybe I'd like to pose a little later on.

**MR. CHAIRMAN:** Well, I see nothing wrong with it. Go ahead, then.

**HON. B. URUSKI:** No, once we get into clause-by-clause. Let's finish with Mr. Anderson.

**MR. CHAIRMAN:** He wanted to use it as lead question for Mr. Anderson.

**MR. H. PANKRATZ:** I was going to, yes, if you didn't mind.

**MR. CHAIRMAN:** So if you don't mind . . .

**HON. B. URUSKI:** No, no, go ahead.

**MR. H. PANKRATZ:** Well, I'm under the impression that Bill 4 also states that a moratorium can be placed on livestock and equipment.

Am I right in stating that, Mr. Minister?

**HON. B. URUSKI:** Mr. Chairman, we have indicated, as I have indicated, that the parts dealing with livestock and equipment sections would not be proclaimed either pending federal jurisdictional transfer to the province or, in fact, a court reference in terms of the procedural uncertainty of provinces' jurisdiction, but, at the present time, those parts would not be proclaimed.

**MR. H. PANKRATZ:** They are not part of the Bill 4?

**HON. B. URUSKI:** They are part of the Bill 4, but they will not be proclaimed.

**MR. H. PANKRATZ:** Well, basically, that clarifies that for me.

Thank you.

**MR. CHAIRMAN:** Any other questions for Mr. Anderson? No.

Thank you very much, Mr. Anderson.

**MR. M. ANDERSON:** Thank you, Mr. Chairman.

**MR. CHAIRMAN:** I'm advised that there will not be a presentation on Bill 4 from Mr. Molloy; neither will there be a presentation from Mr. Schellenberg on Bill 22.

Are there any further presentations?

Mr. Findlay has a letter he wishes to be considered by the committee. If it's the wish of the committee, we require a motion to have this letter treated as a written submission and included in the committee transcript as an appendix. There are copies to be distributed. What is the wish of the committee? All agreed? (Agreed)

Since all of the presentations have been heard regarding Bill No. 4, what do the members wish, to go page-by-page or clause-by-clause?

Mr. Minister.

**HON. B. URUSKI:** Mr. Chairman, I'd just like to tell members of the committee that I will ask our legal counsel, Mr. David Carrick, to join me in the event that there may be some technical questions or clarification of the interpretation of certain sections in the bill that I may not be fully able to answer the questions, and if I need the assistance of Mr. Carrick, I will be calling on him for explanation.

Mr. Chairman, perhaps, if there are no questions, in Section 1 there are a number of amendments, and my colleague, the Minister of Natural Resources could in fact move those amendments as outlined in the sheet.

**MR. CHAIRMAN:** What's the wish of the committee? Do you want the amendments read?

**MR. G. FINDLAY:** I want the amendments read.

**MR. CHAIRMAN:** The Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT the definition of "culture commerciale" as set out in Section 1 of Bill 4 be amended by striking out therefrom the words "millet des oiseaux" where they appear in the 9th and 10th lines thereof and substituting therefor the words "panic millet, de la sétaire."

**MR. CHAIRMAN:** Does anybody want to speak to the amendment?

The Member for Virden.

**MR. G. FINDLAY:** Since I don't know the language, would you tell me in my language what the change means?

**HON. L. HARAPIAK:** We'll call in a translator.

**MR. CHAIRMAN:** What's the gentleman's name?

**MR. P. BENTZ:** Phillippe Bentz, legal translator.

The change only makes - I'll try to translate more accurately the word "millet" as it is actually put in the definition of commercial crop. A reference is made to "mustard, millet." Very unfortunately, millet can make reference to various crops in English, and we have in French many words for each crop and we have to be precise which ones are referred to.

So, in this particular case, du millet is both the culture of panicum miliaceum and setaria italica, which are two different kinds of crops which have two different names in French, whereas in English you have only one name for that. That's the reason why. I wasn't aware of that when the translation was done, because of the exact position of the department, and after that, of course, I was able to give the exact names of the crops.

**MR. CHAIRMAN:** Agreed? (Agreed)  
Next amendment.

**HON. L. HARAPIAK:** I move  
THAT the definition of "farmland" as set out in Section 1 of Bill 4 be struck out and the following definition be substituted therefor:  
"farmland" means land in Manitoba that is used, or that has been primarily used during the immediately preceding two years, by a farmer for farming, and that is owned by the farmer or that is being purchased by the farmer under an agreement for sale, and includes all erections, buildings and improvements thereon, any commercial crops which are growing thereon, and any mines and minerals; ("terres agricoles")

**MR. CHAIRMAN:** Agreed?  
Mr. Minister.

**HON. B. URUSKI:** Mr. Chairman, just as an explanation, this amended definition is being put forward which would make it clear that farm land protected by this act is that which is both owned and operated by the same farmer; and our legal counsel believed that the definition, as presently drafted, could be construed as to cover land owned by one farmer but leased to another, which was not originally intended when drafting the act.

**MR. CHAIRMAN:** Agreed?  
The Member for Virden.

**MR. G. FINDLAY:** What is the Minister's intentions when he says "or that is being purchased by the farmer under an agreement for sale."?

What I'm thinking of, does any money have to be transacted before the agreement is considered to be consummated or can it just be a written paper without any money having been transacted and the person to receive the land is then considered to be in possession of it when no money has changed hands?

**MR. CHAIRMAN:** Is "an agreement for sale" considered to be legal or does their money have to change hands - I guess that's what your question is. We've got three lawyers and three different opinions, is that it?

**HON. B. URUSKI:** Now, now, now, Mr. Chairman.

**MR. T. DOOLEY:** I'm not sure if I understand the full question, but maybe I can make a comment anyway and I may hit it.

"An agreement for sale," as contemplated in the statement here, is an agreement that is entered into which is legal and binding but pursuant to which the farmer hasn't had the land transferred into his name yet.

**MR. CHAIRMAN:** Is that satisfactory, please?  
The Member for Virden.

**MR. G. FINDLAY:** Yes, well, really my questions had to do with whether money had to flow between the two parties before it became legal, or is it legal before the money flows?

**MR. CHAIRMAN:** Can you answer that?

**HON. B. URUSKI:** Well, if there's a contractual obligation entered into by both parties and signatures there, I believe - and I'm not a lawyer - that you have an agreement whether or not money has flowed.

**MR. CHAIRMAN:** Agreed? All the committee agreed? (Agreed)  
Okay, is there another amendment to Section 1?

**HON. L. HARAPIAK:** Mr. Chairman, I move  
THAT section 1 of Bill 4 be further amended by adding thereto at the end thereof the following definition:  
"security agreement" means an agreement that secures the payment or performance of an obligation. ("sûreté")

**HON. B. URUSKI:** Mr. Chairman, there's no definition of the "security agreement" that appears in this act as presently drafted. This amendment would incorporate the same broad, generic definition employed under The Personal Property Security Act, which is as follows:

"security agreement" means an agreement that secures the payment or performance of an obligation.

That's in The Personal Property Security Act. The intention is to catch any of several different kinds of legal obligations, regardless of their form, in terms of the security agreement.

**MR. G. FINDLAY:** Does the security agreement have to do with the decision or resolution or agreement between the parties involved in arriving at an agreement? Is that what the security agreement relates to?

**MR. T. DOOLEY:** If I could, Mr. Minister, the security agreement is an agreement by which one party obtains security in order to secure the payment of monies owing to it. That security agreement could take the form of a chattel mortgage, of a real property mortgage, of a conditional sales contract, of a financing lease. It's broadly drawn and it's quite similar to the definition of security agreement under The Personal Property Security Act of Manitoba.

**MR. CHAIRMAN:** Do we agree? Does committee agree?

**HON. L. HARAPIAK:** I move  
THAT subsection 3(9) of Bill 4 be amended by

**HON. B. URUSKI:** Excuse me, Mr. Chairman, but there may be some questions on Section 1 yet.

**MR. CHAIRMAN:** Are there any questions on Section 1?

**MR. G. FINDLAY:** The intention is to pass Section 1 before you go to 2 and before you go to 3?

**HON. B. URUSKI:** Yes, yes.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** I have no further questions.

**MR. CHAIRMAN:** Section 1 agreed?  
Section 1, as amended—pass.  
Any amendments to Section 2?

**HON. B. URUSKI:** No.

**MR. CHAIRMAN:** Any questions on Section 2?  
Section 2—pass.

**MR. CHAIRMAN:** Section 3.

**HON. L. HARAPIAK:** Mr. Chairman, I move  
THAT subsection 3(9) of Bill 4 be amended by striking out all the words in the subsection immediately after the word "act" in the sixth line thereof.

**HON. B. URUSKI:** This section deals with the appointment of officers and employees of the Manitoba Mediation Board. Redundant clauses (a) and (b) are deleted to bring this act into conformity with other new and future acts in this respect.

**MR. CHAIRMAN:** Satisfactory explanation. Pass.

**HON. B. URUSKI:** Section 3—pass.

**MR. G. FINDLAY:** In Section 3(5) it says: "A majority of the members of the board constitutes a quorum at any duly constituted meeting of the board for the transaction of any business; and a decision of the majority of the members present at the meeting is a decision of the board." I guess the question is: If there are certain members of the board decide that they want something passed, they call a meeting on short notice knowing that members that might object to something can't make it, should there be a stipulation of a certain degree of notice for any meeting?

**HON. B. URUSKI:** The intent is similar to federal boards that are being set up, and hopefully we may work in conjunction because those negotiations are presently under way. There may be cause, depending on the

number of applications, for repossession and meetings that the board may, in fact, break up into groups of three or more members and go into various regions of the province, rather than work out of one central office. This provision would allow members to conduct meetings with less than, for example, less in terms of the board, could be less than five members. We would conceive having groups of possibly three members serving as a mediation board on a regional basis, but ultimately coming back and having decisions confirmed by the majority of the board.

**MR. G. FINDLAY:** As I understood the bill, that group of three would be called a mediation panel rather than a board, and their decisions made by the panel are the preliminary decisions, and the final decisions are made by the board which consists of five to nine members.

**HON. B. URUSKI:** The panel, the peer advisory panels, could be the group that in fact works with the farmer initially and does the work with the farmer prior to this matter even being dealt with by the Manitoba Mediation Board. The Manitoba Mediation Board would be the board that would, in fact, make the final determination and if there were any final discussions that may not be handled by the peer advisory panel, would in fact be adjudicated and the report prepared by the Manitoba Mediation Board for the courts.

So there would be envisaged in the act the possibility of having the peer advisory panels being involved at an earlier stage, rather than a later stage.

**MR. CHAIRMAN:** Any other questions on 3?

**MR. G. FINDLAY:** In 3(6) it says: "The fact that there are vacancies on the membership of the boards does not affect the validity of any act or thing done by or in the name of the board." I notice back in 3(1) it requires five to nine members. Should there not be a minimum membership of five on the board at any time?

**HON. B. URUSKI:** Mr. Chairman, it's possible that we may start as the Federal Government has started, with the appointment of three or four members initially, before we finalize the board. The federal board now is operating in Manitoba with four members, I believe. It's conceived that there will be 10 members on the federal board, and it may be a time frame before they're all appointed, but legal counsel may also have a further explanation to this.

**MR. T. DOOLEY:** Mr. Chairman, just two points. Under Section 3(1) "the board must consist of not less than 5 or more than 9 members" so the Lieutenant-Governor-in-Council ought to appoint at least five members.

Secondly, Section 4, which we haven't come to yet, does provide for the board determining its own procedures. I would expect that the method by which meetings will be held, etc., will be dealt with by the board. There is also provision in Section 4 for procedures to be established by regulation, should that be deemed necessary.

**MR. CHAIRMAN:** Satisfactory explanation - the Member for Virden.

**MR. G. FINDLAY:** I guess a question in the general sense. The Minister has now, at least on two and maybe three occasions, in answering questions to Bill 4, was trying to answer questions related to the federal bill.

I'm wondering if we're talking about a provincial bill or a federal bill or we're trying to be in a position that we can dovetail the two bills. What direction are we going here tonight?

**HON. B. URUSKI:** Throughout this entire debate on this legislation, members opposite have made the case that we in fact should be pursuing Bill C-117. I have indicated that I will try my utmost to set up complementary procedures in cooperation with the Federal Government. I don't want to pre-empt any possibility of foreclosing those options. In fact, that is still my intent.

While we haven't reached agreements on specific procedures and even membership on the board, because there may be an option that we may still participate in the federal board. But until all the discussions are concluded and have taken place between federal officials and provincial officials, and the federal board and our staff, I can't answer those questions definitively. But I have set out initially the spirit of cooperation with the Federal Government. It is still my intention to pursue that course of action.

**MR. CHAIRMAN:** Pass Section 3? The Member for Gladstone.

**MRS. C. OLESON:** Thank you, Mr. Chairman.

In 3(7) it says: "the chairperson shall preside at all meetings of the board." The Minister was just telling the Member for Virden that there may be small meetings held throughout the province. Are these going to be committees or how is it going to reconcile with that section? It says that the chairperson shall preside at all meetings.

**HON. B. URUSKI:** I indicated that if in fact the board decides to break out into committees, their recommendations and their reports will have to be sanctioned by the main board, of which the chairman shall be present.

**MRS. C. OLESON:** So this is just your main board meetings.

**HON. B. URUSKI:** That is correct. It may be, I should tell the Member for Gladstone, it may be that the board may decide to hold all meetings as an entire board. But I don't want to preclude them possibly breaking up, depending on the number of applications.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNES:** Mr. Chairman, I came in late. I heard the Minister talk about meetings throughout the province. Was this that the board itself would hold or, indeed, something that the Standing Committee would hold with respect to other issues that are contained within this bill?

**HON. B. URUSKI:** The questions that were raised were dealing with Section 3 of the act.

**MR. C. MANNES:** Thank you.

**MR. CHAIRMAN:** Section 3—pass; Section 4—pass.

Section 5 - the Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT Section 5 of Bill 4 be amended by adding thereto immediately after Subsection 2 thereof the following subsection:

Admissability of board reports.

5(2.1) Any board report filed with the court pursuant to this Act shall be admissible as evidence of prima facie proof of its contents, without calling as a witness in any proceedings in the court the author of the board report.

**MR. CHAIRMAN:** Any questions out of the amendment? The Member for Virden.

**MR. G. FINDLAY:** Could the Minister explain what this is saying?

**HON. B. URUSKI:** This amendment really deals with that the hearing should be conducted in as simple and expeditious and informal manner as possible. Of course, the next amendment will deal with the report of the Manitoba Mediation Board. Really basically saying that you don't have to come to the board armed with legal help, that in fact the board report will be agreed upon and admitted as evidence with no need to, in fact, cross-examine the information therein. That should be agreed upon.

**MR. G. FINDLAY:** It would have seemed to me that the chairman of the board, or at the least the author of the report, should be there to answer any questions that either party represented may have on the contents of that report.

**HON. B. URUSKI:** Mr. Chairman, it would be presumed that those discussions between the creditor and the farmer and the board would take place before any need to have the report filed before the court. It is still our hope that once that process is in place, the majority of decisions will not end up in the court if agreement can be reached through the mediation process. There will be very few cases that would in fact go all the way to the court because, truly, the real bargaining and mediation process will take place prior to those reports ending up in court.

**MR. G. FINDLAY:** I agree, but it's the difficult ones where there hasn't been a resolution that will end up in court and there's where the difficult and serious questions will come forward. So it seems to me only logical that the author of the report be there to explain the intricacies of the report he submitted.

**MR. T. DOOLEY:** Mr. Chairman, the parties to the court action will really be the debtor and the creditor. They will be the ones who will be attempting to persuade the judge as to their case. The board report will be there as supplementary material to help organize the hearing, to help make it as expeditious as possible.

The thought is that the board itself ought not to become a party to what may be a contentious court issue. It's rather serving the court by investigations, attempting to mediate and then reporting to the judge.

The wording that is used in section 5(2.1) that is being proposed is quite similar to wording found in other Manitoba statutes. In particular, The Manitoba Evidence Act has several sections in it where supplementary material is being provided in order to expedite a decision and the wording suggested here is wording similar to those sections. It indicates that you start arguing from the information in the report. It's initial proof of the contents of its report, but individuals can bring contrary evidence, should they wish.

The report itself is prepared by a mediation panel and it might be pretty difficult to fit three people on a witness stand in order to answer questions as to how they arrived at their recommendations.

**MR. G. FINDLAY:** It would seem to me that the chairman of that group is the leader and he should be responsible for answering the questions. I look at 9(6) Matters to be considered at the hearing. (b) The judge hearing the application shall make such inquiries with respect to the application as the judge considers necessary; and (c) may require any party to the application or the board to provide further particulars . . ." and if the board representative is not there to explain the report, how can he provide further particulars if the judge asks for them?

**MR. T. DOOLEY:** Mr. Chairman, either party could subpoena or request that a member of the mediation panel or spokesman for the board be present and, as the Member for Virden has pointed out, the court itself could require someone to attend in order to answer questions or to clarify the provisions that are in the report, should there be a question in the judge's mind and should the parties to the hearing be taking opposite interpretations.

**MR. G. FINDLAY:** I guess my only concern is, in trying to expedite the situation, the board member that's responsible for the report, in my mind, should be there rather than being excused from having to answer questions that would obviously be difficult because it's a difficult case.

**HON. B. URUSKI:** The point is valid from that perspective. It's hoped that if there are going to be opposing views taken as to the interpretation of the report, that will be foreseen prior to it being forwarded to the court. I mean there will be a difference of opinion, obviously, and the likelihood of taking different interpretations may result in a member of the board either being summoned or in fact ending up in court as a witness in terms of providing information as to how they arrived at their findings.

**MR. CHAIRMAN:** Amendment 5(2)—pass.  
The Member for Virden.

**MR. G. FINDLAY:** If I'm not too late, I would like to move, seconded by the Member for Ste. Rose, that this amendment be withdrawn.

**HON. B. URUSKI:** Mr. Chairman, in terms of the process of the committee, if there is a desire to vote against an amendment, then the member should just say "question on this" and we'll call the question. It's not a matter of moving the deletion of an amendment; it's a matter of asking the Chair to call the question and a vote be taken. That's really the procedures of the committee. So if the member wishes that vote to be taken . . .

**MR. G. FINDLAY:** Question, Mr. Chairman.

**QUESTION put on the amendment and carried.**

**HON. L. HARAPIAK:** Mr. Chairman, I move:  
THAT subsection 5(4) of Bill 4 be struck out and that the following subsection be substituted therefor:  
Hearing at the discretion of the board.  
5(4) The decision whether or not to hold a hearing under this Act is in the sole discretion of the board.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** Just give me a second to read what's presently in the bill.

**HON. B. URUSKI:** I guess basically almost the same thing, only this is a simplified form.

**MR. CHAIRMAN:** 5(4)—agreed? (Agreed)

Section 5 as amended—pass.

We're being called into the House for a vote. I expect you back here as soon as it's taken.

## RECESS - VOTE IN HOUSE

**MR. CHAIRMAN:** Section 6—pass; section 7—pass.  
Amendments to Section 8.

**HON. L. HARAPIAK:** Mr. Chairman, I move:  
THAT clause 8(2)(a) of the French version of the bill be amended by adding thereto immediately before the word "instance" where it appears in the 2nd line thereof the word "une".

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move  
THAT subclause 8(2)(a)(v) of Bill 4 be amended by adding thereto at the end thereof the following words:

"whereby a farmer could be deprived of the ownership or the possession of farmland of which the farmer is the registered owner or of which the farmer is the purchaser under an agreement for sale;"

**MR. CHAIRMAN:** Agreed? (Agreed) - the Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, just to indicate that this amendment clarifies the nature of creditors' specific relief, which is subject to the provisions of this act,

bringing it into line with the general prohibitions contained in section 8(1).

**MR. CHAIRMAN:** The Member for Virden had his hand up. Did he want to . . .

**MR. G. FINDLAY:** I just want an explanation.

**MR. CHAIRMAN:** Is that fine? Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT clause 8(2)(f) of Bill 4 be struck out and the following clause be substituted therefor:

- (f) no receiver or receiver and manager shall take possession of, enter upon or occupy farmland for the purposes of carrying on a farming operation on the farmland or otherwise interfere with a farming operation being carried on by a farmer until leave of the court has been obtained under this Part;

**MR. CHAIRMAN:** Do you need an explanation? The Member for Virden.

**MR. G. FINDLAY:** Since there's an application before the court and if this application occurs during a critical time in the annual cycle on a farm, is it possible to arrive at some solutions so that the farming operation is still going on, given that the present owner or farmer may not be able to follow through with the operations that he would normally do?

**MR. CHAIRMAN:** Mr. Dooley.

**MR. T. DOOLEY:** Mr. Chairman, the effect of section 8(2) is to keep the farmer in possession, operating the farmland until the court has granted leave to deprive the farmer of possession of the farmland.

**MR. G. FINDLAY:** I'm asking the Minister, in the event, from the presentations given by numerous people that during this period of time the operating funds for that farmer to carry on his operation may be severely restricted such that he's unable to, and I'm asking if there's a method by which an agreement can be arrived at between the two parties that somebody does carry on those operations?

**HON. B. URUSKI:** Mr. Chairman, that's really the process envisioned that, in terms of the mediation - (Interjection)- Pardon me?

**MR. G. FINDLAY:** It's still under resolution. It's not resolved yet.

**HON. B. URUSKI:** Well, I'm getting to that point. That's the reason, if there is an agreement or in discussions there may be a time frame where, in fact, it could conceivably be that there would be no operating credit until an agreement is reached. In that case, the farmer would be in no different position than he would be if, in fact, a foreclosure went through in any event. That's the reason that we did set up the fund as a backup to the act to work through with lending institutions in the mediation process to see if, in fact,

guarantees could, in fact, be put into place and those instruments could be used as part of the bargaining process.

**MR. G. FINDLAY:** I don't know whether this is the right section to bring it up in, but I'll ask the Minister if he's had any thoughts of providing for security of the chattels during the process of application to the court or when the mediation process is going on similar to what a trustee can be declared under the federal bill, but I've never seen any ability in this bill to declare somebody's in charge of the assets, the chattels?

**HON. B. URUSKI:** No, Mr. Chairman, we did not.

**MR. CHAIRMAN:** Mr. Dooley.

**MR. T. DOOLEY:** Mr. Chairman, I would just repeat what I said earlier, that the effect of section 8(2) - and now we're just strictly speaking farm land, although the question is equally applicable at a later stage to the farm machinery and equipment.

The purpose of those sections is to keep the farmer in possession until leave of the court has been granted.

**MR. G. FINDLAY:** Who, in protecting the rights of the person that made application for leave, should not there be some method of protecting the value of the assets or keeping the assets from disappearing or being hidden? This may not be the right section, but it has to be talked about sooner or later.

**MR. CHAIRMAN:** Mr. Carrick.

**MR. D. CARRICK:** Mr. Chairman, The Queen's Bench Act, rules pertaining to that act, apply for the jurisdiction in the Court of Queen's Bench to make orders granting preservation of assets. It's our view that sort of application is available after the creditor has made application to the court for leave to commence the realization proceeding.

It can be done by next-party application, which can be considered by the court, and if the court feels that the creditor has grounds to obtain an order for the preservation of the assets, then the court, in our view, could make that order.

**MR. CHAIRMAN:** Section 8 as amended—pass. Amendment to section 9(1).

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT subsection 9(1) of Bill 4 be amended by striking out in the French version thereof the word "mesures" where it appears in the 5th line thereof and substituting therefor the word "conclusions."

**MR. CHAIRMAN:** Subsection 9(1) as amended—pass.

**HON. L. HARAPIAK:** I move THAT subsection 9(1) of bill 4 be further amended by adding thereto at the end thereof the words "or carries on a farming operation."

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT subsection 9(2) of Bill 4 be amended by adding thereto immediately after the word "upon" in the 4th line thereof the words "the affected farmer and."

**MR. CHAIRMAN:** Subsection 9(2) as amended—pass.

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT subsection 9(7) of Bill 4 be amended by striking out all the words of the subsection immediately after the word "manner" in the 3rd line thereof.

**MR. CHAIRMAN:** Subsection 9(7) as amended—pass.

**HON. B. URUSKI:** You'd be removing the words "and the rules of evidence shall not apply thereto."

**MR. G. FINDLAY:** What is the purpose of removing that?

**MR. T. DOOLEY:** Mr. Chairman, this is tied into the previous motion to provide that the board report will be admissible in court. One of the purposes of not having the rules of evidence apply was, firstly, to ensure that the board report was admissible, otherwise it might be considered hearsay and, secondly, to endeavour to have the hearing take place as in informal a manner as possible.

The deletion of the reference to the rules of evidence ought not to upset the informality or the expected informality of the hearing because the reference to the hearing taking place in a summary manner are still preserved in this subsection.

**MR. CHAIRMAN:** Agreed? (Agreed)  
The Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move: THAT clause 9(8)(c) of Bill 4 be struck out and that the following clause be substituted therefor:  
(c) grant such other procedural relief as the judge considers appropriate.

**HON. B. URUSKI:** Mr. Chairman, this is the section that members have raised in terms of clarification as to the judge's powers and in fact the amendment deals with the effect that the power to order debt write-downs and other nonconsequential remedies may be contained in section 9(8), 13(9) and 25(9) of this act. This is not the case as implied constitutional limitations would preclude judges from so ordering pursuant to provincial legislation. To clarify that this wasn't and isn't our intention, this is the amendment that we've put forward.

**MR. CHAIRMAN:** Agreed? The Member for Virden.

**MR. G. FINDLAY:** Could he give me an example of what kind of procedural relief he might consider in certain instances?

**MR. T. DOOLEY:** Mr. Chairman, the application for leave may be incomplete. The judge may allow the applicant to amend the order to ensure that they can

carry out all of the steps that are necessary in order to realize on their security. Another obvious procedural authority that the judge needs is to dismiss the application if the parties are wrongly named or if there's some other defect in the application that can't be properly amended. Dismissal would be another alternative.

**MR. CHAIRMAN:** Clause 9(8)(c) as amended—pass.  
The Member for Virden.

**MR. G. FINDLAY:** Back in 9(1) in the last line that the application for relief "shall be filed in the judicial centre where the affected farmer resides." Does this preclude the same judge or judges or small group of judges who would gain a certain level of expertise in dealing with such applications from happening? What I'm looking for is, I'm afraid if you have a large variety of judges involved in hearing applications, there could be discrepancies between decisions. It would appear to me that, as a layman, I would prefer to see them in front of selected judges who have growing expertise in the ability to deal with such applications.

**MR. T. DOOLEY:** Mr. Chairman, the creditor could choose whatever jurisdiction in Manitoba the creditor wished to launch an action, unless there is some guidance given in the bill. I guess the fear is that with a lot of financial institutions being based in Winnipeg, a lot of applications would be made in the eastern judicial district or the Winnipeg district and a farmer living in Virden or another area would be forced to play ball in that court. This is an attempt to have the hearing take place where the affected farmer resides or if the farmer is a corporation with the amendment previously passed where the farming operation is carried on. I would expect, and maybe I'm going beyond what's expected of me here, but I would expect that this would lead to more hearings taking place in rural Manitoba and perhaps those judges becoming the individuals who are most experienced with this legislation.

**MR. G. FINDLAY:** Just for my own information, is it possible for judges to move around, so that out of a group of, say, three judges, they hear all these applications?

**MR. CHAIRMAN:** Section 9—pass?

**MR. G. FINDLAY:** Just a minute, I'll go through here. On section 9(5), "Upon receipt of the board report, the applicant . . ." which would be the credit institution ". . . may apply to the court for an appointment to hear the application, . . ." Can the farmer request a hearing?

**HON. B. URUSKI:** The farmer could come forward and we would, in those circumstances, what our intent would be of course is to utilize the peer advisory panels. If the farmer wanted an advance hearing, an advance mediation process in terms of recognizing his financial difficulty and saying, is there some way that I can be helped, we could use that process.

The act clearly indicates that anyone making application to seize land or in fact repossess land, a

notice of repossession, would be the one instituting the procedure in this area. But it would not preclude a farmer coming to the board and saying I would like to have the benefit of the assistance of the review board and there would be a clear case where we would be using our peer advisory panels and our staff people to work with the farmer and could possibly end up at the mediation board, but not normally as a normal procedure that I would envision at this time.

**MR. G. FINDLAY:** What I'm thinking of is an instance where a farmer has been in default in land payment and an application is made to foreclose on him and the mediation panels, the mediation boards all rule that the application should proceed and it goes to the judge and he rules it should proceed, could the farmer then not be in a position where he could call a hearing to explain his side to the judge?

**HON. B. URUSKI:** Mr. Chairman, I would expect that the normal procedure would be when an application is filed, it is filed simultaneously with the farmer, with the mediation board and with the court. All three parties are involved. That would trigger automatically the mediation board to get hold of the farmer. That would be the process. So the farmer in fact would already be contacted as an outreach of the mediation board to contact the farmer and start the process of getting the details of his financial circumstances and begin the process of mediation with the lending institutions so in fact that process would be involved by virtue of the filing of the application. That starts the process going.

**MR. G. FINDLAY:** Mr. Minister, I'm referring to after all that has taken place and the report has been filed and the farmer's not happy with what the report says. If the applicant is not happy, he can initiate a hearing, but what I'm saying is, if the farmer's not satisfied, can he initiate a hearing?

**MR. T. DOOLEY:** Mr. Chairman, up until the point of the board report being presented, the farmer hasn't been dispossessed of either title or possession of the land. He has no real interest in having a hearing before the court. The only one that has an interest in pursuing the court is the person who wants to get the application to dispossess him, so that I would think the only one, once the report is filed, the only one that would really want to take a further step, if mediation hasn't been successful, would be the applicant. Therefore, I don't think there's any necessity or benefit for the farmer himself to have any rights to press the judge to make a decision as to whether or not he ought to be dispossessed or foreclosed on.

**MR. G. FINDLAY:** I think I'm talking one step further, when the judge has already looked at the report which is not favourable to the farmer and the farmer says hey, I haven't been fairly treated, how does he communicate that to the judge if there's no hearing? The farmer cannot request a hearing, according to the way I read this bill.

**HON. B. URUSKI:** At that stage, a hearing already has commenced.

**MR. G. FINDLAY:** If I read Mr. Dooley correctly, if the credit institution is satisfied that they've been granted leave by the judge, then why would they want to call a hearing?

**MR. T. DOOLEY:** The process is that an application is made for leave, notice is given to the board, and the board goes about preparation for the court in its mediation attempts. If the mediation attempts are successful, I would imagine that the lender would then simply withdraw his application. If the mediation attempts are unsuccessful, the board will complete its report and will file it in the court offices and serve it on all parties. The matter can stay in abeyance, technically, indefinitely. It's only if the lender wants to continue to pursue gaining possession or title to the property that they will then cause the court to set a hearing date.

So this report, when we talk about applying to the court for an appointment, we're talking about the court hearing, setting it down for a hearing, and there's no benefit to the farmer to have it set down for a hearing because he continues to enjoy possession of the land.

**HON. B. URUSKI:** He's not dispossessed.

**MR. CHAIRMAN:** Section 9, as amended, pass.  
Section 10 - the Member for Virden.

**MR. G. FINDLAY:** Mr. Chairman, I move, seconded by the Member for Ste. Rose  
THAT this section be amended in Part IV by deleting sections 10 through 13(11), inclusive.

**HON. B. URUSKI:** Mr. Chairman, perhaps, for the benefit of my friend from Virden, we could call a vote on the entire Part IV to make sure that their opposition to the inclusion of Part IV is recorded on the record of that. That way they can, in fact, vote against the entire Part IV because that's really the essence of my honourable friend's motion.

**MR. G. FINDLAY:** The reason for our being in opposition to the entire section is because we're not convinced that the province has jurisdiction over farming machinery and equipment and, therefore, it should not be part of the bill, which is the intention for moving this amendment and requiring it to be recorded in opposition.

**HON. B. URUSKI:** Mr. Chairman, perhaps, in terms of ease of procedures, if the member advises me, and then once we go through the part and any part that they wish to vote against that they indicated, we'll make sure that a vote is recorded and called here so that it is on the record as to the member's opposition.

In fact, we can. I would have no difficulty of agreeing to say that there be a vote on the entire Part IV because really that's the point he is making. The entire part is the part that he indicates because of the question as to the province's jurisdiction in this area is not clear and they wish to register their opposition to that.

**MR. CHAIRMAN:** So you call the question?

**HON. B. URUSKI:** Well, let's go through all the sections in Part IV and then call the question on the entire part.

**MR. CHAIRMAN:** So it still leaves us with Section 10. Section 10—pass. Section 11, there's an amendment.

**HON. L. HARAPIAK:** I move:  
THAT section 11 of Bill 4 be struck out and the following section be substituted therefor:  
Non-application of this Part.  
11 This part does not apply to actions or proceedings with respect to farm machinery and equipment pursuant to the provisions of sections 22 through 25, both inclusive, of The Farm Machinery and Equipment Act.

**HON. B. URUSKI:** Mr. Chairman, perhaps my honourable friends would allow the amendments, as printed, in this part to be included and then we call the vote on it, as printed in the amendment sheet, dealing with motions dealing with 12(1), 12(2)(a), 12(2)(a)(iv), 12(2)(a)(v), 12(2)(d), 12(2)(e) and (f), 12(3), 12(4), 13(1), 13(2), 13(7), and 13(9)(c) of Bill No. 4.

**MR. CHAIRMAN:** Are you agreed to that, Mr. Findlay?

**MR. G. FINDLAY:** Read them in.

**MR. CHAIRMAN:** You want them all read?

**MR. G. FINDLAY:** Yes.

**HON. B. URUSKI:** Okay, read them all in and then we'll deal with them.

**MR. L. HARAPIAK:** You want me to proceed consecutively on those?

**HON. B. URUSKI:** Yes, consecutively.

**HON. L. HARAPIAK:** Mr. Chairman, I move  
THAT subsection 12(1) of Bill 4 be struck out and the following subsection be substituted therefor:  
Actions or proceedings requiring leave.  
12(1) No person shall commence or continue any action or proceeding to realize upon or otherwise enforce  
(a) a security agreement or any provision contained therein; or  
(b) a writ of execution obtained on the basis of a judgment obtained on the basis of a security agreement or any provision contained therein; whereby a farmer could be deprived of the ownership, the possession or the use of farm machinery and equipment which is owned by the farmer or which the farmer is purchasing or is entitled to purchase, without first obtaining leave of the court under this Part.

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move  
THAT clause 12(2)(a) of the French version of Bill 4 be amended by adding thereto immediately before the word "instance" where it appears in the 2nd line thereof the word "une."

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move  
THAT subclause 12(2)(a)(iv) of the French version of Bill 4 be amended by striking out therefrom the word "moyens" where it appears in the 1st line thereof and substituting therefor the word "mesures de redressement."

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move  
THAT subclause 12(2)(a)(v) of Bill 4 be struck out and the following subclauses be substituted therefor:  
(v) for cancellation of a security agreement in respect of farm machinery and equipment, or  
(vi) for any other relief as may be available to such person and permitted by law in respect of farm machinery and equipment, whereby a farmer could be deprived of the ownership, the possession or the use of farm machinery and equipment which is owned by the farmer or which the farmer is purchasing or is entitled to purchase.

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move  
THAT clause 12(2)(d) of the French version of Bill 4 be amended by adding thereto immediately after the word "et" where it appears in the 1st line thereof the word "aux."

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** I move  
THAT clauses 12(2)(e) and (f) of Bill 4 be struck out and the following clause be substituted therefor:  
(e) no person shall commence or continue any action or proceeding for seizure of farm machinery and equipment on the basis of a writ of execution obtained on the basis of a judgment obtained on the basis of a security agreement or any provision contained therein, without first obtaining leave of the court under this Part.

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** I move  
THAT subsection 12(3) of Bill 4 be amended by striking out the word "proclamation" in the 3rd line thereof and substituting "the coming into force" therefor.

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** I move  
THAT subsection 12(4) of Bill 4 be amended by striking out the word "proclamation" in the 3rd line thereof and substituting "the coming into force" therefor.

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** I move  
THAT subsection 13(1) of the French version of Bill 4 be amended by striking out therefrom the word "measures" where it appears in the 5th line thereof and substituting therefor the word "conclusions."

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move  
THAT subsection 13(1) of Bill 4 be further amended by adding thereto at the end thereof the words "or carries on a farming operation."

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move  
THAT subsection 13(2) of Bill 4 be amended by adding thereto immediately after the word "upon" in the 4th line thereof the words "the affected farmer and."

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move  
THAT subsection 13(7) of Bill 4 be amended by striking out all the words of the subsection immediately after the word "manner" in the 3rd line thereof.

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move  
THAT clause 13(9)(c) of Bill 4 be struck out and the following clause be substituted therefor:  
(c) grant such other procedural relief as the judge considers appropriate;

**MR. CHAIRMAN:** Agreed? (Agreed)  
The Member for Virden.

**MR. G. FINDLAY:** In 13(5)(b), notice of hearing - "there is reasonable cause to believe that the affected farmer might hide the farm machinery and equipment or otherwise attempt to evade seizure . . ." - this applies at the time of hearing.  
Is this the 120 days after the application of leave has commenced?

**HON. B. URUSKI:** The application for repossession has been filed, and during that period of time, if there's cause to believe that the affected farmer might hide equipment or machinery.

**MR. G. FINDLAY:** What I'm getting at is that by the time the board has done its report, up to 120 days may have elapsed and by this time, certainly, if the equipment was to disappear or be hidden, it would have already happened and it's too late to be concerned with it. It should be dealt with at an earlier stage in the proceedings.

**HON. B. URUSKI:** Mr. Chairman, what would occur is that in fact the farmer in this case was not being

open and honest and was being devious, the applicant could go to the board and say, look, we have information that this is happening and in fact the hearing could be held without the farmer being there.

**MR. T. DOOLEY:** The additon you're referring to is simply that in certain circumstances a service on a farmer could be waived in order that the hearing could proceed as quickly as possible.

Just to give you an example, someone ought not to be able to delay the hearing any further by evading service of the notice of a hearing on himself.

**HON. B. URUSKI:** By hiding or running away.

**MR. CHAIRMAN:** The Member for Gladstone.

**MRS. C. OLESON:** Thank you, Mr. Chairman.  
Does there not have to be proof that the farmer was being devious? You said that the applicant can be told that he or she is, but do they not have to have proof before they could hold a hearing without the farmer present?

**HON. B. URUSKI:** I would assume that in the course of hearing the information, that there would have to be evidence shown that the farmer has been devious and been hiding or trying to get rid of equipment.

The board could grant leave to repossess. They could also, I'm assuming, or the court could in fact say seize it and then we will hold the hearing and adjudicate on this matter. The court has some leeway there.

**MR. CHAIRMAN:** 13—pass, as amended?

**HON. B. URUSKI:** No.

**MR. G. FINDLAY:** Right now I call the question on the motion.

**HON. B. URUSKI:** Mr. Chairman, the question really before us, in terms of the motion here, is shall Part IV of this act be agreed upon. That's really, in essence, what the motion reads because we're really voting again. There are no motions allowed to delete certain sections. The motions of the committee are normally to vote against. The member's comments were that this entire part should not be in, if I understood him correctly.

**MR. CHAIRMAN:** All those in favour of Clause IV?  
The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, the motion on the floor is the whole section.

I would just like to ask the Minister why he wants a section in this bill that he has absolutely no jurisdiction over or the Province of Manitoba has no jurisdiction over.

**HON. B. URUSKI:** Mr. Chairman, there are basically two reasons for these parts to be in the act. No. 1, there is an undertaking by the Federal Minister of Agriculture that there may be need for further strengthening of federal legislation or, in fact, allowing provinces to pass procedural legislation as we have

originally intended. He did not say that legally he could not give us the authority. He just - I'm assuming for political reasons - would not grant us that right.

Secondly, there are also some legal comments that we have received that provinces may in fact have the legal right dealing with procedural legislation dealing with equipment and machinery. Although there have been differing opinions, we may wish to proceed to have these sections heard as a reference to the court dealing with the constitutionality of this authority, and this may be one way of clearing the air once and for all by having these parts referred to the court, and that's a consideration that we will be examining over the next weeks and months.

Those are the two reasons. It may be for a court reference as well.

**MR. F. JOHNSTON:** I take exception to the Minister's statement "political reasons." The Minister is inferring that the Minister of Agriculture, federally, is playing politics with this bill. I can't agree with that.

I think the Minister of Agriculture, federally, is using common sense in the fact that if this section were to go through under machinery and livestock, it would be even more disastrous to the farm community of Manitoba; and if it were to be changed in any way, shape or form, we would have a situation that would be worse than the bill having the authority that it has over farm land.

So the Minister really is saying, when he passes this section, that he has no authority over whatsoever, that he prefers to try and perpetrate more confusion over the agricultural industry in the Province of Manitoba. When he states that he would like to try it in the courts on the basis of what he has suggested is a clear admission, in my estimation, that he wants to try to do everything possible to confuse the farm problems in the Province of Manitoba, to the best of his ability. Therefore, he leaves a section in the act which he has no authority over at the present time and he probably should do the same with this section, as requested by the credit unions and the financial people, that this bill should not have these type of things in it and if he finds it necessary a year from now, to look at it.

But the Minister is obviously going to try and test it in the courts to see if he can create more confusion in the farm industry of the Province of Manitoba, which will ultimately hurt the economy of the province.

**HON. B. URUSKI:** Mr. Chairman, I don't want to get into a major argument with my honourable friend but I want to tell him that we raised the constitutionality, or the lack of constitutional powers dealing with these parts in the document that we released last November, which we took out to the farm population and whoever wished to comment on it made comments at the 14 public meetings that I held. This is not new in terms of where we're at on this section.

But I want to tell my honourable friend that the Federal Minister of Agriculture, a year before bringing in this piece of legislation, told every Minister of Agriculture in this country that he wanted to bring in and he was going to bring in legislation with teeth; he wanted strong legislation to back the farmers of this country. He was, in fact, referring to the previous legislation that was

before Parliament, the Liberal legislation, which went beyond what our legislation does in the Province of Manitoba, which does allow for the courts to order set-aside and write-downs by court order. That's the reference he was making.

It wasn't until the latter part of '85 did he finally say, I'm now moving away from the court process; I'm going to the voluntary process. It was a complete reversal of position.

As well, Mr. Chairman, the Federal Minister of Agriculture has not said that he cannot give us those powers because legally they have done so in the past. They have done so in terms of the regulations dealing with interprovincial transportation in the trucking industry. They have allowed the regulatory powers to be moved from Ottawa to each individual province and those powers have been transferred in the past. They are generally national powers handled by the national government. Those are similar procedural powers dealing with the trucking industry, in the same way they could have transferred powers to the province dealing with this legislation.

He has never said that he couldn't. He just has not done so, Mr. Chairman.

**MR. F. JOHNSTON:** Mr. Chairman, I'm not interested in the trucking industry at the present time. I'm not interested in what the Minister said in 1985, which this Minister completely and always uses as an excuse to defend his position. I'm saying that the Minister of Agriculture federally has taken the time since 1985, which this Minister hasn't done, to examine the ramifications of the legislation and he's come up with Bill C-117, which is properly the right way to go. He's obviously examined the legislation from the point of view that this legislation, with this machinery and livestock left in it, would be confusing and he's left it out and this Minister keeps talking about 1985. I'd like this Minister to talk about what he heard today and what he heard yesterday, and what he's heard three weeks ago, instead of bringing up the facts that we've talked about the past. Let's talk about right now. This Minister ought to get himself on the path of right now and start thinking about it.

So, Mr. Chairman, this Minister continues to try to confuse this industry and he wants to test it in the court. He doesn't need to tell this committee that the Federal Minister can make changes any time he wants to, we're aware of that, and he's obviously decided it isn't the best way to go.

**HON. B. URUSKI:** Mr. Chairman, obviously I will not convince my honourable friend, but he is right, I don't agree with the Federal Minister and there is no doubt about that.

But quite clearly, unless we know where we've come from and what we have said in the past, we will not be able to make proper judgments of where we go in the future. I am basing my judgment on the basis of statements made at the federal level.

We were prepared, Mr. Chairman, not to proceed with legislation if the Federal Minister went through with his statements over a year ago. If they were going to bring in the legislation which he earlier indicated to, there would have been no need for provincial legislation. That's why I'm referring to the past, Mr. Chairman.

**MR. F. JOHNSTON:** Mr. Chairman, the Minister keeps referring to over a year ago, and let me reiterate what I said.

After he referred to it a year ago, he's done some examination of what the complications are and what the ramifications are of the type of bill he was thinking of, and he used common sense to bring in Bill C-117 and this Minister is not using the same type of common sense. He's bulldogging something through that is just political. If he wants to talk political, this bulldogging of the Minister is political in the Province of Manitoba.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** Just to continue on the same line, the Minister has heard considerable representation last night and this morning, and again tonight, from organizations, farm organizations, credit institutions, private citizens, none of whom supported the Minister in the direction that he's taking with this bill. He got some degree of support for certain sections, even from the Opposition, but he's continuing to push in a direction that the farm community and the credit institutions do not believe is required at this time with this Bill 4.

To a person, Bill C-117 seems to be considered to be an adequate piece of legislation to be given a trial period to see if it works. I don't know why the Minister has such a complete resolve, or the government has a complete resolve that this must be pushed through. We can't perceive anything other than it's a political decision that has really nothing to do with the farm community.

**QUESTION put on Part IV, as amended, MOTION carried.**

**MR. CHAIRMAN:** The Minister of Natural Resources.

**HON. L. HARAPIAK:** I move

THAT the definition of "instance en réalisation" as set out in section 14 of Bill 4, be amended by adding thereto immediately after the word "et" where it appears in the 19th line of clause (i) thereof the word "les."

**MR. CHAIRMAN:** Agreed? Agreed.  
The Member for Virden.

**MR. G. FINDLAY:** Does it change any intent or is it just a word change?

**HON. L. HARAPIAK:** No, the intent is the same.

**MR. CHAIRMAN:** The Minister of Natural Resources.

**HON. L. HARAPIAK:** I move

THAT section 14 of Bill 4 be amended by striking out clause (ii) of the definition of "realization proceeding" contained therein and by substituting the following clause therefor:

(ii) for the purposes of Division III, any action or proceeding to realize upon or otherwise enforce:

(A) a security agreement or any provision contained therein; or

(B) a writ of execution obtained on the basis of a judgment obtained on the basis of a security agreement or any provision contained therein;

whereby a farmer could be deprived of the ownership, the possession or the use of farm machinery and equipment which is owned by the farmer or which the farmer is purchasing or is entitled to purchase including, without limiting the generality of the foregoing, the specific actions or proceedings set forth in subsection 12(2).

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move

THAT section 14 of Bill 4 be further amended by striking out sub-subclause (iii)(B) of the definition of "realization proceeding" contained therein and by substituting the following sub-clause therefor:

(B) a writ of execution obtained on the basis of a judgment obtained on the basis of a security agreement or any provision contained therein.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** What's the purpose for that change?

**MR. T. DOOLEY:** Mr. Chairman, this just clarifies that the writ of execution is really obtained on the basis of a judgment. It's the judgment, in turn, which is obtained on the basis of the security agreement. We had a little short-circuit in there before and we just added the correct sequence.

**MR. CHAIRMAN:** Section 14, as amended—pass.  
The Member for Virden.

**MR. G. FINDLAY:** Mr. Chairman, we are not in complete opposition to this entire section, Part V, as we were to Part IV. The reason for being in opposition to the complete moratorium is the fact that representation was repeatedly made to the Minister by several people who came forward, farm organizations, and lenders, that this was an unnecessary component of the bill. The Minister himself has indicated that he doesn't intend to proclaim this portion immediately. We have repeatedly requested that the Minister consider bringing this in as a separate bill at the time that the discussion will be ongoing relative to when it should be introduced and, for that reason, we stick by our position that it's an unnecessary part of this bill at this time.

The Minister has indicated that he doesn't intend to proclaim it. There's been representation brought forward - the credit unions brought forward - requiring six months to a year for the discussion process. I'd like to hear the Minister's response to our opposition and to the credit union request.

**MR. CHAIRMAN:** The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, as I've indicated before in closing debate on Second Reading, it is our intention, even though members opposite were not that

enamoured with the suggestion, that there be a committee struck. Notwithstanding that, in terms of dealing with any decision, before a decision would be made by the Lieutenant-Governor-in-Council dealing with a moratorium, it is the government's intention to have consultative meetings throughout the province and with farm organizations and any interested parties, dealing with the severity of the situation, on whether or not a decision should be made, and the length of the decision, in terms of the length of moratorium, as well as when a moratorium should be imposed.

That is our intention. I've said it in the House and I repeat that intention today, to consult with farm groups and other interested parties prior to any imposition in this act.

As well, Mr. Chairman, the member will be aware, as we proceed with the bill, we will be moving an amendment to place a sunset clause on the provisions of the moratorium in terms of the length of time that part of the act will be in force.

**MR. G. FINDLAY:** Is the Minister prepared to indicate at this time, a certain length of time for the process of rounds of discussions for arriving at a decision of declaring a moratorium?

**HON. B. URUSKI:** Mr. Chairman, if the member is suggesting that we take a year to decide, I don't think that would be the prudent course of action. If in fact, as the member has stated many times, the situation gets serious, we will be there supporting the call and the need for a moratorium if the situation gets so severe in the farm community.

I don't believe we would need, nor would I be telling my honourable friend that we will take a year in which to start a discussion process on whether or not a moratorium shall be put into place.

**MR. G. FINDLAY:** What I'm really requesting is should there be a minimum period of time for that period, like 30 days or something of that order?

**HON. B. URUSKI:** Mr. Chairman, I would expect that a 30-day process, in terms of any discussions with farm groups and other groups interested, that it would take us that kind of period of time before any final decision would be made as to consideration.

I see that time frame being at least the length of time for discussion period before groups can respond and come back with some ideas. It may take that long; it may take somewhat longer.

I would see that as a minimum of 30 days.

**MR. G. FINDLAY:** Our opposition can be recorded by complete part.

**HON. B. URUSKI:** Yes. Mr. Chairman, perhaps we could proceed with the further amendments to section 25, and then we can have the vote.

**MR. CHAIRMAN:** Section 14, as amended—pass; Sections 15 to 24 were each read and passed.

The Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move

THAT subsection 25(1) of the French version of Bill 4 be amended by striking out therefrom the word "measures" where it appears in the 5th line thereof and substituting therefor the word "conclusions."

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT subsection 25(1) of Bill 4 be further amended by adding the words "or carries on the farming operation" at the end thereof.

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT subsection 25(2) of Bill 4 be amended by adding thereto immediately after the word "upon" in the fourth line thereof the words "the affected farmer and".

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT subsection 25(7) of Bill 4 be amended by striking out all the words of the subsection immediately after the word "manner" in the third line thereof.

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT subsection 25(9) of Bill 4 be amended by striking out the words "issue such orders" in the thirteenth line thereof and substituting therefor the words "grant such other procedural relief".

**MR. CHAIRMAN:** Agreed? (Agreed)  
Section 25 as amended—pass.  
Section 26.

**HON. B. URUSKI:** No, Mr. Chairman. The question really is, shall Part V be passed in its entirety?

**MR. CHAIRMAN:** That Part V of Bill 4 as amended be passed, all those in favour?  
The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, I witnessed something in the House today, the Minister of Agriculture in the question period answering questions from the Opposition regarding this bill; and his answers after the representation from the committee were deplorable and misleading to the people of the Province of Manitoba, to say the least.

I would like to suggest that the Minister who continues completely to refer to banks, conveniently leaves out credit unions and other lending institutions, takes the opportunity to suggest that the Opposition's opposition to this bill is because the banks happen to have made some contribution to our party, never forgetting that the contributions to his party are on record at the same time.

His statements last night to Mr. McDonald representing the bankers' association were close to ludicrous where he said there was \$4 billion loaned by your bankers to large organizations, etc . . .

**HON. B. URUSKI:** I used Dome Petroleum.

**MR. F. JOHNSTON:** . . . and I was going to say he used Dome Petroleum. I wonder, Mr. Chairman, if the heads of the banks of Canada, who got together to help the situation with Dome Petroleum, would have lent \$4 billion, \$4 million or \$400,000 if the government would have said there's a third person who can say whether you get paid back or not. I wonder if they really would have loaned the money under those conditions. Mr. Chairman, the argument the Minister puts forward to Mr. McDonald is close to being stupid.

I hear the Member for Swan River. Last night he was saying, and grain prices went down 20 percent. Well grain prices could go up 20 percent and the bankers, the credit unions and the lending institutions would make their decisions on the basis of the economy of the farmer that they're dealing with and they would make it on the basis of what they're dealing with as to whether their loan could be paid back. And if the prices happen to go down after there's a contract entered into between two people, or if they went up, do you really agree that if you had loaned the money, or would you have loaned it if a third person could say, you might not get paid back?

If this government is so uppity about the fact of moratorium, if this government is going to put through the legislation that says people may not be paid back or put through a situation where the judge says they may not be paid back, or the committee says they may not be paid back - and the Minister is shaking his head - the committee or the judge wouldn't be there unless this legislation is put through and I assure you . . .

**HON. B. URUSKI:** It's not true.

**MR. F. JOHNSTON:** Well, the Minister is saying not true, but the basis of this legislation is moratorium, and moratorium means somebody can say that they might not be paid back in the long . . . (Interjection)-no?

**HON. B. URUSKI:** No, it's in the act.

**MR. F. JOHNSTON:** When the Minister says no, why do we have it then? Why do we have it if the Minister says no? My goodness. We get the Minister shaking his head as he does in the House many times trying to look intelligent and convenient with his serious look, and I can quite frankly say that it doesn't work.

But I would say to you that in this particular situation that if you're going to pass this legislation, why don't you take the responsibility of paying the bills? Why do you expect the person who loaned the money, with a contract between another person, to take the loss? You're passing the legislation. Why don't you be man enough to take the responsibility?

**HON. B. URUSKI:** A \$100 million of guarantees.

**MR. F. JOHNSTON:** Mr. Chairman, then the Minister says \$100 million guarantee. Now we refer to the banks

who have come before us and said if they have to take that risk, they've made it very plain that interest rates may go up. They may find a way to loan their money in other places.

I said to you in Second Reading the banks have so much money to loan in Manitoba and under The Bank Act of Canada they are to protect the people that deposit with them and they are not going to take risks that are absolutely ludicrous from the point of view that they may not get their money back. And if the Minister or any members of this government really agree that their bank manager should take those kinds of risks with their money, I suggest they get their heads read. I suggest they get their heads read if a banker is to take that risk with pensioners and everybody else who has their money within the bank system of this country. But oh no, oh no, the Minister says they have to take the loss. Other depositors with the banks may have to take the loss because they may not get the same interest rate, etc.

It was explained to you last night that 70 percent of the losses in the Royal Bank in Manitoba is agriculture. If they're going to have other situations that are going to increase that 70 percent to a higher percentage, I can assure you the farmers of this province are going to suffer.

Then the credit unions come forward; 60 percent of their business is done in the agricultural industry. My goodness, Mr. Chairman, here we have a Minister that wants to disregard the fact that just from the time this bill is introduced till now - he likes to refer to '85 and all of his discussions previous to that - but the banks and the credit unions made phone calls, had their managers together, had their boards of directors together, who are ordinary people throughout this province, and almost 99 percent said no to moratorium. They said the risk of having a sunset clause is just as bad as having a moratorium.

It's just as bad as The Trade Practices Act that this government is trying to pass. The Minister at his whim can say, tomorrow we'll have a moratorium. We hear that he'll hold meetings. I've seen meetings held by political parties of all stripes and the meetings will come to the conclusion that he wants them to come to at any time. So that's the thing over the head. If the government sets up legislation I say again, why don't they pay?

I see a very strange thing in this committee. I don't see the Deputy Minister of Agriculture here, the assistant deputies, the whole troop of people who usually support a Minister with his bill. I guess they're not here because when Mr. McDonald phoned up and said, we would like to have more discussions on what we may do to help the farm community, the answer was, it's going through anyway, we obviously have nothing to do with it. Really, it's an insult to the Minister not to have his staff sitting here supporting it. I've never seen that before in 17 years here.

The Minister laughs about these things, and the Minister laughs because when he doesn't know what else to do or how to get out of a situation, the easiest thing to do is to laugh as he does in the House. He says it's political, the explanation regarding research from all parties that came forward. Oh, I'm hearing the comments from the other Minister, the conceited Minister from Dauphin and all of those things. I quite

frankly can't really buy it because it disappoints me that somebody from an agricultural community could look at this with the flippant attitude that he looks at it.

I quite frankly obviously think that the financial institutions were responsible. They were willing to say that we would like to find a way that we can help that 5 percent of the agricultural industry that's in trouble. But no, what's the answer the Minister gives in the House? I'm not prepared to see the banks sell the farmers of this province down the river. That's laughable, that's laughable. The banks in this country, if he wants to take out Dome Petroleum, have saved more jobs in this province and in this country than this Minister would ever believe there were jobs to be saved. The banks have worked with people in this province.

I would like to ask the Minister, and I watched it on television. How many farmers attacked the banks in Dauphin when you were there?

**HON. B. URUSKI:** How many farmers did after the threats they received?

**MR. F. JOHNSTON:** None. Now we've got the usual excuse.

**SOME HONOURABLE MEMBERS:** Oh, oh]

**MR. F. JOHNSTON:** Yes, scare tactics.

**MR. CHAIRMAN:** Order please.

**MR. F. JOHNSTON:** Now we have the usual type of answer that we get from the Minister when a socialist is cornered.

Mr. Chairman, there was very little opposition to the banks because the farmers realized that the banks have been working, and the credit unions have been working to their capacity to work with the farm industry of this province; and they have proven that with the statistics that they have put forward. Well we know that the Minister doesn't like the meeting in Dauphin; yet when he explains the bill and talks about the bill and his reasons for the bill, he's very proud about all the meetings he held and the meeting that he was at, to have support for the bill. Yet when we tell him about one that isn't, it's a nothing meeting, just a nothing meeting.

**HON. B. URUSKI:** Well, it wasn't a nothing meeting in Portage a year ago.

**MR. CHAIRMAN:** Order please.

**MR. F. JOHNSTON:** If this Minister is determined, and you may wonder, this committee, why I as a city member am speaking the way I am. I'm speaking the way I am because I am a city member. I know the importance of agriculture to the City of Winnipeg. I know the importance of the fact when the agricultural community is down in this province, the whole economy of this province is down and people lose jobs everywhere in this province and I am concerned about the fact that he's going to put this through. He's going to bulldoze it through so that when he retires - he came into the

legislature at the same time that I did, in '69 - and he obviously wants to go down known as, Billy, the worst Agriculture Minister we've ever had. - (Interjection)-

So, Mr. Chairman, the gentleman sitting beside me, the Minister who is knowledgeable about all agricultural practices, says that's what they believe out there. I would like to say to the members sitting on the government side of the House, I have probably talked to more farmers in the last three months, individually, than they have.

**HON. B. URUSKI:** I'll challenge you on that.

**MR. F. JOHNSTON:** Well, go ahead and challenge me. Where have you been?

**HON. B. URUSKI:** Right across the front.

**MR. F. JOHNSTON:** Right across the front.

**MR. CHAIRMAN:** Order.

**MR. F. JOHNSTON:** I talked to them more on one particular weekend not too long ago than you have, so we will challenge that. We won't win that argument. But I, as a city member, I've asked the agricultural people, do you think this is a right move? No. And the credit unions; all of the banking people; who are those terrible people who protect our money under the Charter of Canada? You know, those bloodsuckers that they're referred to in the Legislature.

Mr. Chairman, I have a bank manager sitting beside me at the present time and his interest was for the farm and the farm community. He can probably tell you more about how the farm community people need help and discussion than anybody. But I mean, who have you listened to? Would it be the National Farmers Union. Well, of course, the National Farmers Union say boo and the Minister jumps. We know that. And for him to jump and help ruin the major number one industry in this province is disgusting, deplorable and his actions in the House after the hearings are such that I've never heard before in my life; and he is going to have to answer to the people of this province for what he's doing at the present time.

Why don't you just use your head? Why don't you do what the financial institutions are pleading with you to do? They are giving you a message saying, try Bill C-117, give us a chance to make it work and help us come out of this situation and, Mr. Minister, if we can't do it, then go ahead with your moratorium. But this Minister says, the devil with you, I'm going ahead right now. Is that clear thinking? Is that clear thinking? I'd say that's bullheaded thinking and you're the one that's going to suffer for it.

**MR. CHAIRMAN:** The Member for Portage.

**MR. E. CONNERY:** Thank you, Mr. Chairman. I want to also make just a few comments on this bill. The Minister said that for three weeks we didn't say anything on the bill after he introduced it.

**HON. B. URUSKI:** A month.

**MR. E. CONNERY:** Okay a month. So what if it was five weeks? What we were doing, I personally and other

members of our caucus were going out, we were talking to the farmers, talking to the financial institution people, to get a true reading on what this bill would do to the farmers and what the farmers thought about this bill. I can tell you I never heard one person who was in favour of the moratoriums. I talked to socialist farmers. One member who's on one of the government boards, appointed by the government board, very highly respected in the party, said it's ludicrous. What are they trying to do? He said there's just no common sense to it and this fellow deals with banks and he knows the banks, and what it's like when times are tough.

But this Minister blames everything on the Federal Government and then comes around looking for something couched in beautiful terms. As I said in an earlier speech, this bill epitomizes the hypocrisy of this government. It's trying to fool people that they're really doing something for them. I think it's also partly to fool the city people who don't understand the situation and they see this government protecting the family farm. It looks like a real nice deal. They're holding out some carrot that they are going to save them.

Well, Mr. Chairman, they're not going to save these farmers. What they're doing with this bill is putting another sector of farmers at risk of not getting their capital. Mr. Chairman, right now west of Portage there's a large number of acres of land that never saw a tractor this year, because they couldn't get the money to put the crop in. Why? Because they were at risk.

If this legislation goes in, there's another large number that the banks are not going to lend their money to. Now for this Minister and the way he spoke today in this House, I just couldn't believe it. You know, before I got in here I did have some respect for this man, but I can tell you that the respect that I had has totally disappeared. He's prepared to baffle and mislead people and give them a false sense of security that is ridiculous.

They talk about going out talking to the people; the Minister of Natural Resources talked about going out talking to people. How did they go out and talk to them? Give them a song-and-dance about what this bill was going to do for them? Or did they do like the credit unions did and gave them the basics and let the people make the choice? Mr. Chairman, I think these people went around trying to sell their bill, rather than listening to what the people said about the bill.

It's one thing for us to win brownie points over this bill when it turns out so bad that a lot of farmers are hurt but, Mr. Chairman, we have cost maybe the lives of some farmers. We know the suicide rate and the stress. We know what's going to happen when this bill goes into place, and we've got a Minister who is too proud to defend the farmers of Manitoba. He's more concerned about his own political position than he is about the farmers who are at risk in this province.

He just won't do things. We tried to get the bottom line. More money is not the bottom answer. The bottom answer is a cash flow. But when we tried to have a cost review board, he refused it, didn't want to participate, he said that's the federal position. But when you go to talk to the federals, you better have the facts so you can argue your position with them; just to say we want something done and you do it isn't going to work. This Minister should know better but no he just says, it's somebody else's fault.

Well, Mr. Chairman, I'm not going to carry on. I also would like to say though that I didn't see the NFU here. Where was the NFU defending this bill? Even they can't defend it but at least they wouldn't come out here to support it; they didn't come out here to criticize. They weren't here. That says something to me when your own party, your own farm group will not come out to support you, I think you're in real trouble.

Then to say that the banks are threatening farmers. You know, I've never heard one person say the bank threatened them. I say, Mr. Chairman, that is very misleading and is very damning, but this Minister does not care. So I say to him, he is going to have to shoulder the responsibility of a lot of farmers losing their operating capital and the stress and heartache that goes with it and I'll leave it at that.

Thank you.

**MR. CHAIRMAN:** The Member for Roblin-Russell.

**MR. L. DERKACH:** Thank you, Mr. Chairman, just a few brief words on the moratorium aspect of this bill.

I think over the last couple of days, last night and this morning, the committee heard some excellent presentations from groups who are representing farmers, from groups who have worked with farmers for a long time. I clearly heard the message, that these people are representing the farm community. Their interests are in the farm community and they are definitely opposed to the moratorium aspect of this bill.

For the life of me I can't understand. The only conclusion that I can come to is that it is the Minister's pride, the pride of the party that would make him keep the aspect of this bill in place and bulldog it through. Mr. Chairman, the moratorium aspect of this bill does not make any sense. If you talk to any farmers throughout Manitoba you'll find that they're opposed to it.

Now the Minister said he held a series of meetings whereby he discussed the dilemmas of the farm economy and how it might be solved. If he is so confident that the farmers of this province support the moratorium aspect of this bill, then before the aspect of this bill is proclaimed and before he includes it in the bill, why doesn't he go out to the farm community and ask them right now, what they think of the moratorium aspect of this bill.

I think he has heard from the Opposition, ourselves, over the last number of months, the areas of the bill that we can support and the areas of the bill that we would give him credit for. But he has also heard our opposition to the aspect of the bill that is going to be damaging to the farmer. He's heard that same response from the farm groups that are representing farmers. They are not only representing the rich farmer, the farmer who doesn't need to borrow money, they are representing farmers throughout Manitoba who are borrowers, who depend largely on borrowed money to put their crops in. If you take them off they can foresee that the moratorium aspect of this bill is going to do nothing but cost farmers money in the long run. We are going to see farmers hurt and we are going to see farmers put in categories where there is going to be a watchdog over them, and the criteria for lending is going to change.

Now all of these are negatives; they are not positives. I think that it is time, and maybe it is even late, for this Minister to take a look at this and convince his Cabinet. I'm sure that there are farmers sitting around this table who are on the Minister's side of the House who have to agree with me that the moratorium aspect of this bill is not going to do any good for farmers in Manitoba. The Minister of Natural Resources, I'm sure, is one who must take a very close look at this and talk to the farmers in his area, and I'm sure that he'll get that same response.

So for the good of the farmers of Manitoba, I am hopeful that before we go through Third Reading of this bill, that something, that some common sense will prevail over the Minister and that he will withdraw this section of the bill, and then I'm sure there would be a greater acceptance of it and maybe listen to what the credit unions are telling you; allow Bill C-117 to work, give it a chance.

Now I know the attitude of this government towards the Federal Government, we're not asking for that attitude to change. But let's be realistic for just a little while - even if it's six months - but let's give it a year and let's allow credit unions and banks to assess whether Bill C-117 can work, and if Bill C-117 doesn't work then come in with a moratorium. Mr. Minister, you're going to be nothing but a hero then. Right now, you can't win, politically or otherwise; you can't win. I think it is high time that you really took the interest of farmers in Manitoba to heart if you are sincerely interested in that responsibility which you have been charged with and remove this moratorium aspect from this bill.

Thank you very much.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** Thank you, Mr. Chairman.

I would just like to remind the Minister of some of the details that have been brought forward.

The credit union here today brought forward the fact that in analyzing the Saskatchewan moratorium, they said the Saskatchewan Government backed up their moratorium legislation with money, with programs to give some support to the farm community; they put money where the money was needed; and he quoted a figure in excess of \$1 billion of farm support by the Saskatchewan Government and the Province of Saskatchewan in the last year.

Also the credit unions clearly identified that of the people that they had in trouble in their portfolio, that 90 percent of them did not need a moratorium; they needed a cash injection. That was the only thing that was going to keep them on the farm.

I would give the credit union very high marks for the great degree of effort they put in to analyzing the situation, having a round of meetings, doing a phone survey, and to come out with the decision that they came out with to oppose you in your bill had to be heart-wrenching, because your government holds the loan guarantee over their heads and they're in the process of negotiating that. So I know the discussions behind closed doors had to be very difficult and that was a very gutsy move for them to come out and speak against a piece of legislation that they saw as being

not in the best interests of the citizens or the farmers of this province.

Does the Minister not take into account the survey done by the banking institution as well as the phone survey done by the credit unions? Just to give you a few statistics that were brought forward last night; 61 percent of the people answering were not in favour of Bill 4; 67 percent said Bill 4 would lead to more conservative lending practices; 67 percent said they were in favour of loan guarantees; in other words financial support by the Province of Manitoba, put the money where it's really needed, those people who are in the process of being pushed off their land; and only 5 percent of the respondents said they were in favour of a moratorium.

You're pushing through legislation, a section in this bill, where you only have 5 percent of the support. I ask you, Mr. Minister, what do you think you're trying to do? What's your purposes? When the majority of people, the affected people, are saying, no we do not need this at this time. And the credit unions put the situation as clear as anybody.

The federal bill is sufficient for this period of time and give it a chance to work; and if it proves it doesn't work, then a lot of people will support you in pursuing this aspect of your bill, which we feel now is not needed at this time.

And if I look at the amount of money that this government, your government has lost, is frittered away in the last number of years - around \$17 million in Saudi Arabia; \$50 million in Manfor; Flyer and ManOil, several million more - probably the total comes to in excess of \$100 million frittered away. Wouldn't you have done a better job of putting that money to work in the rural community for the farmers of Manitoba, rather than losing it there and coming in with a piece of legislation that does not address the problem, and that's the cost price squeeze?

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. H. PANKRATZ:** Thank you, Mr. Chairman.

I too would like to voice my opinion, my objection to the moratorium aspect of this and, I think like my colleagues have indicated, I don't think there is much that I would be able to add to it what hasn't been stated by them already.

About 22 different organizations, basically, made representation and not one in favour. I would just like to have the Minister question himself with his motives: is he actually scared that C-117 will work? Is that basically what you're afraid of? If you are not, why don't you want to give it a chance for one year? And I think, like one of my colleagues said, that if then it won't work you're going to come out smelling like a rose. But you sure don't smell like a rose by implementing it the way it is now.

I think, Mr. Chairman, our Minister he is also in agriculture. I think there's nobody - some of his colleagues I know, they don't have a clue, so I mean I don't want to refer to them. I believe our Minister basically knows what is required in the agricultural field. Really, deep down, I believe he knows.

If he could set aside that he wants to make brownie points for his party, at this point save face; and I think

we'd all welcome and try to help him whichever way possible to save face and come out of this. But I would like to plead with him at this point in time, that he would take heed of what these different organizations have stated and remove the moratorium from us.

Thank you.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Chairman. I want to, first of all, say that I didn't have the opportunity to be in here to listen to the briefs from the credit union or the representatives of the chartered banks.

Mr. Chairman, I think from the discussion tonight and from the discussion with my colleagues, it's become pretty clear to the Minister that his legislation is not appropriate at this time. Now I realize this Minister's got a severe political problem, he's got two of them.

First of all his leader, his Premier, during the election campaign committed his party and his government to bringing in this kind of legislation. I simply remind the Minister that when his leader, the Premier made that announcement, I believe it was in the constituency of Minnedosa in a farm house around a kitchen table - no, he's in front of a tractor out in the farm yard - and when his leader made that commitment, he was asked certain questions by the media and responded to them and the Premier's aides had to correct the Premier's answer, they were so confused as to what they were going to do in this legislation that they got backed into something they didn't really intend to bring forward. That's the first political problem this Minister has.

The second political problem he has is: on his term is his fifth year, he's in his fifth year as Minister of Agriculture in the Province of Manitoba, and on two other occasions he has been beaten into the ground on major pieces of legislation that he's brought forward. In politics, as in baseball, you only get three strikes before you're out and he can't afford to have this legislation as ill-conceived and as bad as it is not go through, because his political career is on the line. He can't afford to be defeated on another major piece of legislation.

Mr. Chairman, when I addressed my remarks on Second Reading to this bill, I mentioned to the Minister that one of the prime goals of any legislator and, particularly, a Minister responsible for legislation, should be that he attempts to bring legislation forward that benefits the people affected by that legislation and not harm them.

Mr. Chairman, at the time that I made those comments, I made them very sincerely and with a great deal of thought and with a great deal of discussion with the farm community in my area and other parts of the province. I pointed out to the Minister that what would happen with this legislation, whether it has a moratorium provision that is not proclaimed, whether it's passed and not proclaimed as an entire act, the existence of that act, because it is retroactive in its nature, will hold a threat over the lending community - both the chartered banks and the credit unions - and that threat is something they must react to as responsible lenders of money protecting the depositors that this Minister and his colleagues would like to have protected; that's the pensioners; that's the retired

people, the little, ordinary Manitobans who have their money in the credit unions and banks across this province; that's their money that those financial institutions are lending the farmers.

This government is prepared to change the rules of lending. That puts that money at risk and those financial institutions would be irresponsible if they react anything but in the way they've indicated to you tonight.

Now, when I pointed that out to the Minister, we got the normal catcalls from the NDP and government, that we were the supporters of the banks; that we were the front-men for the banks, etc. Mr. Chairman, I don't accept that, because I've had as many fights with bankers in my area to protect my farmers and my people from wrongful action; actions I don't consider right by the banks, by the credit unions, and I don't think that you could go to my constituency and find every banker saying, oh that Orchard fellow is a real great guy, he always supports us every step of the way, because I've had my tangles with them and when they're wrong, they're wrong.

Now, Mr. Chairman, it's easy to dismiss our arguments as being pro-bank and pro-chartered bank, etc., but that's too simple a reaction to the serious problem you're causing. You heard, and I was part of the - when the discussion was on with Mr. McDonald with the Royal Bank, he told you, Mr. Minister, that under these new rules that you are putting into the lending game, that up to one-third of their farm customers may not receive funding next year, because it is too risky for them and their depositors. The credit unions didn't put the same kind of numbers on the record, but their brief dealt very clearly with their reaction to these new rules of lending.

Now, Mr. Chairman, the Minister has said that this is bold action by his government to protect the farmer. Nothing could be further from the truth. This is a weak-kneed cop-out by a group of NDP-elected politicians who don't know how to handle the farm crisis. They are choosing to legislate a remedy, which is not a remedy, which is more harmful than the status quo; because this government with \$6.5 million, I believe, is the amount of money that you've put in to support this bill, that will not provide credit to those 5, 10, 15, 20 percent of the farmers that may well have their credit availability curtailed because of this legislation.

And what do you do with them, Mr. Minister; what do you do with them? Are you prepared as government to even lend them the money? Of course, you're not. You're certainly not prepared as Saskatchewan and Alberta are prepared to do, and have done already, in this crop year to support your farmers with direct injection of provincial dollars, as Saskatchewan has done; as Alberta has done. No, your government's not doing any of those things, not any of those things. There is no direct support to the farm community in the Province of Manitoba coming from this New Democratic Party government. They will not put five cents into support of the farm community. Everyone that's been here, I believe, without exception has told you and you should know it as Minister of Agriculture. You shouldn't have to have witnesses to this bill tell you the problem is a cash-flow problem in the farm today. You simply cannot make ends meet. That's why the Provinces of Saskatchewan and Alberta have injected additional cash flow to their farm community

while you've sat back and done nothing as Minister of Agriculture to support the farm community; done nothing.

You can talk about your interest rate relief - and we'll talk about that tomorrow because you've got a problem in there whereby the people who you now are billing back the \$6,000 grant portion, you're charging them up to 14.5 percent interest. That's what you're doing to help those people now. Your programs have failed and you have not put your money where your mouth is.

Meanwhile, and all we have to do is go through the litany of tax expenditures that you've gone through in the last five years and you've got literally millions of dollars that you've left on the table in the Flyer Industry's, the Manfor's, the McKenzie Seeds, the Saudi Arabian Sheiks, you name it, you had the money for it. But when it comes to supporting agriculture, oh no, not five cents. Instead you choose the cheap political trick of going and saying the Federal Government is the only one responsible, the Federal Government must answer all the problems, we're going to solve it by passing legislation that's going to have the credit denied from a significant number of farmers. While you're allowing that to happen by passing this legislation, not five cents of provincial money will be there to support those farmers next spring when they don't have credit available because of the passage of this legislation.

You are going to be singly responsible, Mr. Minister, for more farm failures and more farm families leaving the land by this legislation than any other single move that's happened in the history of this province. And you will sit there and you will grin and you will baffle in front of the television cameras in question period and you will blame the Federal Government and wave your arm and do your Maureen Hemphill theatrics before the television cameras, but the farmers of Manitoba see completely through you. It's as if they're looking at a ghost of a Minister of Agriculture because that's all there is now; is a ghost, a person who is grandstanding and blaming everyone and taking absolutely no responsibility around the Cabinet table and as part of a government to support the number one industry in Manitoba, namely agriculture.

Mr. Chairman, this Minister is going to reiterate, as others of his colleagues reiterate from time to time, that we don't have the money in Manitoba; that we're running a \$500 million deficit and we simply don't have the money. I've already mentioned areas where you had the money. But Mr. Chairman, I want to point out that in 1980 under a previous administration when drought hit the farm community of Manitoba, there was a \$40 million injection to assist the farm community in that year of 1980.

Now the Minister, you see, is laughing. He thinks it's laughable that a previous administration would put in \$40 million and he does not put in five cents to support the farm community this year in a far worse crisis. Mr. Chairman, than ever was facing the farm community in 1980; a far worse crisis. And this Minister laughs about it. I wish he'd laugh and put his money where his laugh is and come up with some support to the farm community to come up with some cash flow support as Saskatchewan and Alberta have done. Then he would have a lot more credibility when he approaches the Federal Government and says to them, why don't

you come up with a payment to the farmers in Western Canada to support them through this time of crisis caused by the international grain markets, caused by the European economic community and their grain price war with the United States of America, caused by President Reagan's recent decision to support grain sales to the Soviet Union; not caused by the farmers of Manitoba. Mr. Chairman, that would require a gutsy action by a gutless government. That would require a Minister who had some clout around the Cabinet table. Unfortunately we have neither a government with guts, nor a Minister of Agriculture with influence around the Cabinet table.

The Minister of Agriculture has taken exception to me on previous occasions over the last number of years when I've commented in his Agricultural Estimates that he has never had an original thought in his head. Mr. Chairman, he still doesn't, because he doesn't understand the problem, and because he doesn't understand the farm problem, he is unable to articulate a solution that his Cabinet colleagues, his city Cabinet colleagues will buy. That's why the farmers in Manitoba are now being asked to accept The Family Farm Protection Act as their salvation when in fact it will be their ruination. For a large percentage of farmers that are teetering on the brink right now, this act will be the straw that breaks the camel's back.

This will not help them in any way, shape or form. Only a cash flow from a government such as Saskatchewan or Alberta will do that. Until this Minister realizes that, this act will do nothing but worsen the farm community's financial problems and not help them one iota. I say that with the deepest regret and if the Minister didn't believe us when we were speaking in the House - because each and every one of us made these points with him in the House - surely he might take time to reread the testimony of a number of the presenters to this bill and particularly, Mr. Chairman, surely the presentation from the credit union movement of Manitoba must have some impact on this Minister and this government because those aren't the big bad chartered banks; those aren't the straw men that you constantly set up along with the oil companies to kick and beat at every time you need a little political lift. Those credit unions have a substantial membership in the farm community and if you think they're not speaking for those farmers that you claim wrong-headedly to be protecting with this bill, then Mr. Minister, you don't understand the credit union movement either because those people took a lot of serious time and effort to make sure what they presented to you this morning and this evening in opposition to this bill was the best available information they could glean from their customers in the farm community. You ignore that, Sir, at your own peril and risk.

I don't care if you ruin your political career, Mr. Minister, because you don't have very much credibility as Minister of Agriculture in this province any more, anyway. But I do care when you pass legislation that will ruin the financial future of a number of family farm operators in the Province of Manitoba. I care dearly about that and my colleagues care dearly about that because we're here to help the family farm, not to hinder its survival in this time of crisis and financial need.

**MR. CHAIRMAN:** The Member for Minnedosa.

**MR. D. BLAKE:** Mr. Chairman, I won't say too much on this bill. I think the Minister has received a message that he cannot ignore. I'm convinced that there are members on his committee and members on his side of the House that I'm sure now, after hearing the presentations that have been made before this committee, are having very, very serious doubts about the bill and are wondering just how they've gotten into it this far.

But I just want to make a point to remind the Minister there was a bill brought in by a former Minister of Agriculture that had - I can't remember the number of amendments as we went through the bill. The following year that bill was brought back and amended again which would indicate that by the number of amendments that I see before us tonight on this bill, that the bill was poorly drafted to start out with. Again, and if this is the number of amendments we're putting through now on it, I hate to think of the number of amendments that are going to come through next year if this bill passes because I'm sure these amendments that we see before us tonight are only going to solve a minute portion of the problems that are going to appear in this bill.

But as I said earlier, I may have some more to say on Third Reading but the points have been covered very well, I think, by my colleagues and I do urge the Minister to think back on the presentations that have been made to him from a wide, wide cross-section of people that deal with agriculture and people in agriculture and they deal with farmers. If the Minister hasn't got that message, I don't know what more we, as an Opposition can do to convince him that it's a bad bill. The moratorium section is not going to solve any problems and it should be withdrawn.

**HON. B. URUSKI:** Mr. Chairman, I just want to place a few words on the record, notwithstanding the comments of the Member for Pembina. I think I can take anyone's comments but the Member for Pembina, even though I know he's in the midst of a leadership campaign, and he's clawing his way to the top . . .

**SOME HONOURABLE MEMBERS:** Oh, oh]

**HON. B. URUSKI:** . . . Mr. Chairman, I didn't say anything when the Member for Pembina spoke or any of you gentlemen spoke on the bill. Mr. Chairman, he was sifting sand, that's what he was doing, and that's what he's been doing for the last three months after starting . . .

**MR. CHAIRMAN:** Order please, order please. Gentlemen, all of you had a hearing, nobody interrupted you. Could we have the same courtesy to people on this side of the House, please. Proceed.

**HON. B. URUSKI:** Mr. Chairman, clearly what the Member for Pembina wants to do, is put every ill of the farm community on this government, and he served notice. At least he should get together with his colleague, the Agricultural critic, the Member for Virden, who initially said, that the provisions of moratorium were really of no consequence, and now they've changed their mind.

Secondly, the Member for Sturgeon Creek, he at least on one point that I agreed with him in his remarks indicated that the banking community will lend only if there is reasonable security, if income is there, and if all the assets are there and the cash flow is there. He's the only one that really hit the nail on the head on that one issue. That is the only point that I will agree with the Member for Sturgeon Creek on.

Mr. Chairman, what I said in my remarks to the Chairman of the Bankers' Association. Did the Bankers' Association in their loans to Dome Petroleum, did they send out notices to the little old ladies and little old gentlemen, who are the depositors, that at risk there may be \$4 billion at risk in terms of the loans that they've made to Dome and the interest rates that they're not charging, and the capital that they've had to defer. Did they do that with Dome? They did it in Manitoba on Bill 4 in terms of the threats, Mr. Chairman, and the farm community reacted. The farm community, a vice-president of KAP indicated that the banks were, in fact, trying to . . .

**MR. D. BLAKE:** Hang on to that one, Billie, that's a good one.

**HON. B. URUSKI:** Well I am, Mr. Chairman. Mr. Chairman, the banking community attempting to convince members of KAP executive that they should be anti-Bill 4. If that isn't a form of coercion, Mr. Chairman, I wonder what is. As well, there is by federal and provincial statistics in Western Canada, and I provided those statistics to my honourable friend from Virden, move that the number of farmers in financial difficulty moving from last year to next year virtually doubling in Western Canada, moving from 14,000 to in excess of 30,000. If that does not call for some action to at least have a review process that puts some of the onus on the financial institutions before they foreclose in a mediation process, puts them on guard so that the farmer is in enough difficulty, in enough stress, in enough strain in that process, to give him at least an equal access, an equal chance to mediate a process, I don't know what is, Mr. Chairman, I don't know what process there is.

Mr. Chairman, the members opposite wish to decry the process of Bill 4 and the Member from La Verendrye said, why are we moving in this whole area. We've had the voluntary process of mediation in this province for two-and-a-half years. We've had some successes, we've had many failures, but there has not been consistency in the approach of lenders as how they deal with the farm clients. That's why we've moved with stronger legislation. That process has been in place in Manitoba for two-and-a-half years. It hasn't been highlighted as much as a piece of legislation would, but clearly that process is not the kind of process that is necessary today.

Mr. Chairman, I won't go on much further. I could comment on every member's speeches but I know I've heard them before and I know that I will not convince them. But let not the Member for Pembina say that next spring, we know that there will be thousands of farmers in Western Canada, who will not be able to get operating credit and the situation is very grim. Let him not say that within six months time, do something in terms of putting money into agriculture because

there's no Provincial Government that can put enough money into agriculture to save the community from collapse, if the grain industry continues to go the way it's going.

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. H. PANKRATZ:** Thank you, Mr. Chairman.

I'd just like to make one small remark related to an incident that happens in our community, and is going on at the present time. A local farmer, he's lost basically his farm. It was very close to a \$1 million total operation. This is the fourth year that the bank has carried him, he's still living on that farm, the value of that farm isn't worth more than half-a-million today. The bank has absorbed half-a-million dollars plus interest. I'm just relating to one which I'm very familiar with which I've followed to this point, there's others. I think if, and Mr. Minister you've made a few remarks knocking the banks. I'm in no position to try to defend them. But I've just seen, due to my position, I became involved with this that I know in detail. The bank hasn't only gone the second mile.

But I believe when something of this nature is going to be introduced, the bank is going to go according to the legislation. Today they're negotiating. That man is still on his farm, that bank still hasn't been paid. That's at least four years already. Now in all cases, I'm not trying to defend . . . for instance, in some cases maybe the banks have been . . . each case is I'm sure different, like the briefs have been indicating. I believe we should take a very serious look before we introduce something that is going to create more of a hardship. I would wish that the Minister would consider and allow 117, like you indicated before, maybe in the past couple of years there hasn't been enough to protect, but allow 117, give it a chance and if it doesn't work, follow it up.

**MR. F. JOHNSTON:** Mr. Chairman, the Minister mentions that I said that the banks won't loan because they're concerned with the risk. The banks have loaned on poor risks, to not only farmers, to people living in homes, building extensions and what have you, that are not the best risks in the world. They lend it on the basis of, in many cases, the person being a hard worker and their determination and their attitude to whether the person will make an effort to pay back in many cases.

If the Minister doesn't realize that the banks are not going to loan when there is a possibility of not getting any money back, they're not going to loan, nor would you. We sat in the committee today in this Legislature where the government loaned \$5 million to start the Manitoba Potash Corporation. Do you want it back or don't you? Is there somebody saying you're not going to be paid back? I just wonder if that's the case.

You have loaned money through your farm programs, your interest rate relief. We loaned money under Enterprise Manitoba programs; we loaned money under the tourist programs. We have a battery of people examining those loans as to the risk, and yes, we lose some but I don't think there's anybody there or anybody around in the bureaucratic system or the Government of Manitoba that would recommend to the Minister that

we give a loan if somebody comes along and says, it doesn't have to be paid back. Now the Minister could argue with that as much as he likes, but the word moratorium means moratorium in this bill and that's why you're going to have a situation of risk with bankers.

He keeps remembering Dome; he keeps wondering why the banks sent out a request for answers, or a poll or whatever within this province - I don't even know the relationship - Mr. McDonald tried to present that. But let me say this, that you criticized the banks for maybe spending money where you don't think it should be spent; I criticize this government for blowing \$100 billion on Flyer. I can go back to \$40 million on Saunders Aircraft, you name it, you name it.

**HON. B. URUSKI:** What are you talking about Frank? You supported Flyer when you were in government.

**MR. F. JOHNSTON:** Well, just a minute. I don't want to get off the subject, Mr. Chairman, but we took over Flyer when it was \$16 million in debt and when we left, it was only \$16 million in debt and today we had to give it away after losing 100 million bucks. That's the type of thinking this government has. So I'm not going to dwell on it.

You're going to be responsible for the economy of this province. You're not only going to be responsible for farm jobs, farm families that are going to be hurt, you're going to be responsible for an awful lot of people in Winnipeg that won't be working, or in the urban areas of this province working in the supply to the farm community. Quite frankly, Mr. Minister, I've definitely convinced myself that you just don't give a damn.

**HON. B. URUSKI:** Mr. Chairman, just briefly, I thank the honourable member for his comments, notwithstanding his last comments. But there is no provision in this act that does say that the money does not have to be repaid. The moratorium has nothing to do with actual interest or capital. It deals with the procedure to foreclose.

**MR. F. JOHNSTON:** Then take it out.

**HON. B. URUSKI:** You can call the question then, Mr. Chairman.

**MR. CHAIRMAN:** That Part V of Bill 4, as amended, be passed. All those in favour raise their hand, five. All those opposed, four.

**MR. H. PANKRATZ:** Well, Mr. Chairman, are those five eligible to vote?

**HON. B. URUSKI:** Section 26, Mr. Chairman.

**MR. CHAIRMAN:** Part VI, 26(1)—pass.  
The Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move  
That Section 26(2) of the French version of Bill 4 be amended by adding thereto immediately after the word "membre" where it appears in the third line thereof, the words "du Comité consultatif des exploitants agricoles".

**MR. CHAIRMAN:** Agreed? (Agreed)  
The Member for Virden.

**MR. G. FINDLAY:** What does this phrase mean and what change does it put in this section?

**MR. CHAIRMAN:** Mr. Bentz.

**MR. P. BENTZ:** Mr. Chairman, the only purpose of this is to make explicit the fact that the members are actually the members of the peer advisory committee, that's all. It has been omitted in the French translation because we thought that maybe "member" was clear enough, but after a second thinking we thought it would be better to put it in or to make sure that it was those members which are provided for, in the section.

**MR. CHAIRMAN:** Agreed? (Agreed)  
26(3) - the Member for Virden.

**MR. G. FINDLAY:** Just a general question relating to the entire section.

Am I correct in saying that any actions carried out by the peer advisory committee or its panels have no direct recourse to legal proceedings?

**HON. B. URUSKI:** They would not be there in terms of being involved in the legal mediation process, that is correct.

**MR. G. FINDLAY:** Then let's take a scenario that somebody believes they have a little bit of trouble, and they apply to have a hearing or review by this group of people who are considered experts in the particular area, and they decide that maybe the person does have a real problem; he then has to go and appear before the mediation board. In other words, he appears in front of two different panels before he gets resolution.

**HON. B. URUSKI:** The only need to appear before the provincial panel would be in a case where there would be an order to repossess in terms of land. The peer advisory panels may, with the assistance of our staff, recommend that some of the provincial programs or even some discussions take place with lenders, and possibly may resolve any disputes even before any foreclosure action is undertaken. That would be the role I would see with the peer advisory panels.

**MR. DEPUTY CHAIRMAN, M. Dolin:** The Member for Virden.

**MR. G. FINDLAY:** I sense some degree of duplication of effort here, but could there not be an expansion of the mediation board such that it also can appoint the panels to look after people who are looking for some degree of advice rather than setting up a completely different committee and panel, so that the mediation board is at the central focus for all actions relating to applications for leave, applications for exemption, and applications for just expert opinion. Could that mediation board not serve the entire need here?

**MR. DEPUTY CHAIRMAN:** Mr. Dooley.

**MR. T. DOOLEY:** Mr. Chairman, there is some interplay between the mediation board and the peer advisory

committee. Under Section 28 the board may request a mediation board to investigate a matter; and under Section 29(3), you'll notice that the executive director of the board will be the administrator, the administrative central recording I suppose, for the activities of the peer advisory panels.

But there are two separate activities to perform - two separate functions - with those two exceptions.

**HON. B. URUSKI:** Pass. Just one more.

**MR. DEPUTY CHAIRMAN:** The Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move That Section 26(3) of Bill 4 be amended by adding thereto immediately after the word "such" in the second line thereof, the words "remuneration and".

**MR. CHAIRMAN:** Agreed? (Agreed)  
26—pass; 27—pass; 28—pass; 29(1)—pass; 29(2)—pass; 29(3)—pass; 30(1)—pass; 30(2)—pass . . .

**HON. B. URUSKI:** Hold it.

**MR. DEPUTY CHAIRMAN:** 30(2) - going right back.

**HON. B. URUSKI:** No, we're on 30(2).

**MR. DEPUTY CHAIRMAN:** 30(2)—pass.

**HON. B. URUSKI:** Now we're at 30(3) . . .

**MRS. C. OLESON:** Mr. Chairman, could you call the committee to order. We can't hear.

**MR. DEPUTY CHAIRMAN:** Excuse me, could we have a little order? Could you move it further back or out? Thank you.

**HON. B. URUSKI:** 30(3)—pass.

**MR. DEPUTY CHAIRMAN:** 30(3).

**HON. B. URUSKI:** 30(4)—pass.

**MR. DEPUTY CHAIRMAN:** 31—pass; 32 - the Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT section 32 of the French version of Bill 4 be amended by striking out therefrom the word "dirigeants" where it appears in the second line thereof and substituting therefor the word "cadres".

**MR. DEPUTY CHAIRMAN:** Agreed? (Agreed)

**HON. B. URUSKI:** 33—pass; 34(1)—pass; 34(2)—pass; 34(3)—pass; 34(4)—pass; 34(5)—pass; 34(6)—pass; 34—pass.  
35 - there's an amendment.

**MR. CHAIRMAN:** The Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT section 35 of the French version of Bill 4 be amended by striking out therefrom the words "n'est pas compté" where they appear (a) in the 7th line of subsection (1) thereof; and (b) in the 3rd line of subsection (2) thereof; and in each case substituting therefor the words "n'entre pas."

**MR. CHAIRMAN:** Agreed? (Agreed)

**HON. B. URUSKI:** 35(2)—pass.  
36—pass.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** 35(2), its title is "Limitations of Action." It's Part V, Moratorium, the Minister has indicated that he would have a sunset clause. Is this the time and place?

**HON. B. URUSKI:** That comes later on, Mr. Chairman.  
36—pass.

**MR. CHAIRMAN:** 36—pass.

**HON. B. URUSKI:** 37(1)—pass.

**MR. CHAIRMAN:** 37(2) as amended - the Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT subsection 37(2) of Bill 4 be struck out and the following subsection be substituted therefor:

Corporate offences.

37(2) Where a corporation is guilty of an offence under this act, any officer, director or agent of the corporation who directed, authorized or participated in the commission of the offence is also guilty of the offence and is liable, on summary conviction, to the penalties set out under subsection (1).

**MR. CHAIRMAN:** Agreed? (Agreed)  
37(3) . . .

**MR. G. FINDLAY:** 37(2) for a minute.

**MR. CHAIRMAN:** Oh, I'm sorry - the Member for Virden.

**MR. G. FINDLAY:** Why was the end of that taken off, whether or not the corporation has been prosecuted or convicted?

**MR. CHAIRMAN:** Mr. Dooley.

**MR. T. DOOLEY:** Mr. Chairman, this section was patterned after a provision that was in The Labour Relations Act. It's my understanding that The Labour Relations Act and other statutes where this type of extra onus is included is being reviewed and, in anticipation of that, it was felt that it ought not to be reflected in this particular piece of legislation.

**MR. CHAIRMAN:** Agreed? (Agreed)  
Amendment to 38.

**HON. B. URUSKI:** An amendment.

**MR. CHAIRMAN:** The amendment on 38 - the Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT section 38 of the French version of Bill 4 be amended by striking out therefrom the words "de la compétence de" where they appear (a) in the 3rd line of subsection (1) thereof; and (b) in the 6th line of subsection (2) thereof; and in each case substituting therefor the word "à."

**MR. CHAIRMAN:** Agreed? (Agreed)  
Next motion - the Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT of the French version of Bill 4 be amended by striking out therefrom the words "un contrat de vente" where they appear (a) in the definition of "exploitant touché" set out in section 7 thereof; (b) in subsection 8(1) thereof; (c) in clauses 8(2)(g) and (h) thereof; (d) in the 5th and 6th lines of the definition of "exploitant touché" set out in section 14 thereof; (e) in subclause (1) of the definition of "instance en réalisation" set out in section 14 thereof; and in each case substituting therefor the words "une convention exécutoire de vente."

**MR. CHAIRMAN:** Agreed? (Agreed) - the Minister of Natural Resources.

**HON. L. HARAPIAK:** I move THAT of the French version of Bill 4 be amended by striking out therefrom the words "contrats de vente" where they appear (a) in clause 8(1)(a) thereof; (b) in clause 8(2)(g) thereof; (c) in the sub-subclause (a)(2) of the definition of "instance en réalisation" set out in section 14 thereof; and in each case substituting therefor the words "conventions exécutoires de vente."

**MR. CHAIRMAN:** Agreed? (Agreed) - the Minister of Natural Resources.

**HON. L. HARAPIAK:** I move THAT subclause 36(a)(vi) of the French version of Bill 4 be amended by adding thereto, immediately after the word "convention" where it appears in the 4th line thereof, the word "exécutoires."

**MR. CHAIRMAN:** Agreed? (Agreed)  
36—pass; 37—pass; 38—pass; 39—pass; 40—pass.

**HON. B. URUSKI:** 41, there are amendments.

**MR. CHAIRMAN:** 41 - the Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT section 41 of Bill 4 be struck out and the following section be substituted therefor: Commencement of the Act.  
41(1) This Act comes into force on a day fixed by proclamation.  
Limited effect of Part V.  
41(2) Part V ceases to have any force after the expiration of 3 years from the date on which that Part comes into force.

**MR. CHAIRMAN:** The Member for Virден.

**MR. G. FINDLAY:** I would like to ask the Minister if the intent is that after the moratorium is put in place, that the three years starts to tick from the time the moratorium is put in place? Is that the . . .

**A MEMBER:** No.

**HON. B. URUSKI:** Mr. Chairman, that's not the provision. The provision is that once the act is proclaimed, Part V will, in fact, be proclaimed as being in effect. That's the date that the clock starts ticking in terms of this section.

In the event that at any time from the date that the act is proclaimed until the three-year period, we do not proclaim a moratorium. That part of Part V ceases to be in effect. It's not on the date that the Lieutenant-Governor-in-Council decides to put in a moratorium. The Lieutenant-Governor-in-Council would consider a moratorium in a separate process upon having authority once this part of the bill has been proclaimed.

**MR. G. FINDLAY:** So, therefore - okay.  
What about the situation where the bill is never proclaimed, no portion of this bill is proclaimed?

**HON. B. URUSKI:** Then nothing happens.

**MR. G. FINDLAY:** The bill continues to sit on the shelf and the moratorium clouds still sits there with it?

**HON. B. URUSKI:** No, the bill is not law. There is no law.

**MR. G. FINDLAY:** That's right, but the opportunity to make the bill law and then put the moratorium in effect still remains intact and that's what the people making representation did not want to see happen. They wanted the sunset clause to, say from the day of passing Third Reading, three years hence, that it self-destructs. They wanted it out because there's a certain degree of belief that the bill will never see the light of day, that it will never be proclaimed; therefore, the moratorium still sits there with the bill on the shelf, and it has a certain negative effect sitting there.

**HON. B. URUSKI:** The bill is not law, Mr. Chairman. You see, there are two ways of bringing the bill into force. One, on Royal Assent, which can be given by the Lieutenant Governor. But in that case, we in fact

would have to have all the machinery, I would say, all the administrative structures in place to give effect to that bill. We do not have that. There's a lot of negotiations with the Federal Government. There are negotiations under way with the lending institutions; there are discussions under way in terms of the appointments. That whole question has not been settled. That's one side of it.

There's the other side which we propose to come into force on a day fixed by proclamation when all the work, the regulations, the board is appointed, the negotiations, the settling of the procedures with the Federal Government are in fact resolved and settled. At that point in time the bill be proclaimed; all parts of the bill, but not before then. That's really the way, the two areas of working with legislation. The reason that we chose this date is, on the date that we do proclaim the bill, then the clock starts ticking.

Now, we could have gone, I admit, that we could have gone and picked a date, say October 1, 1989 as being the date and quite frankly we could have done that. It was basically a personal choice to say as soon as we proclaim this act, that starts the clock ticking on the end of Part V.

**MR. G. FINDLAY:** Would you consider adding to that notwithstanding anything else on October 1, 1989 that this Part V is no longer valid?

**HON. B. URUSKI:** Well, Mr. Chairman, if that's a suggestion in terms of a time definite, I'm prepared to consider that because that was a consideration of ours. It was either pick a date - and we looked at both options. I used the date of when we start the act and quite frankly, I'm amenable to that section; it was one or the other. We could amend "have any force after October 1, 1989."

**MR. G. FINDLAY:** I think that would be preferable based on the nature of opposition that I saw coming forward.

**HON. B. URUSKI:** Have any force after October 1, 1989.

Mr. Chairman, the clause would read this way: "Limited effective Part V, 42(2), Part V ceases to have any force after October 1, 1989."

**MR. CHAIRMAN:** Is that agreed? (Agreed)

**HON. B. URUSKI:** It is on the record that it's recorded and that will be the way the amendment is.

**MR. CHAIRMAN:** 40 as amended—pass; 41 as amended—pass; Preamble—pass; Title—pass; Bill be Reported.

**HON. B. URUSKI:** We have one more bill, Mr. Chairman.

**MR. CHAIRMAN:** The Minister of Natural Resources.

**HON. L. HARAPIAK:** Mr. Chairman, I move THAT subsection 26(1)(2) of The Agricultural Credit Corporation Act as set out in section 1 of Bill 22 be amended by striking out the words and figures "sections 28, 29 and 30" and

substituting therefor the words and figures  
"clause 28(b) and sections 29 and 30".

**MR. CHAIRMAN:** Agreed? (Agreed)

**MR. G. FINDLAY:** I wonder if the Minister might explain just what is going to happen with this procedure.

**HON. B. URUSKI:** I would say that this amendment, in reading it, is strictly a technical clause to add the clause (b) into the amendment and that is all. This would be just a housekeeping amendment that would put in clause (b) rather than having just a straight section 28. I'm assuming that it refers to the existing act to clarify what is in there already because if it just said section 28 - and this refers to a specific clause of section 28 of the act.

**MR. G. FINDLAY:** In the Minister's speaking notes of June 11th, he mentioned guarantees will not become effective following the purchase default until the vendor has taken all reasonable measures and procedures to enforce collection. The Minister has said that action would be removed; is that true?

**HON. B. URUSKI:** Mr. Chairman, in discussion - and I believe I responded to the Member for Virden. I wish to confirm that being the case and that will be part of the announcement when in fact the program will be officially announced and those details will be made public at that time.

**MR. CHAIRMAN:** Title—pass; Preamble—pass; Bill be Reported.

**HON. B. URUSKI:** Committee rise, Mr. Chairman?

**MR. CHAIRMAN:** Committee rise.

**COMMITTEE ROSE AT:** 12:05 a.m.

**BRIEF PRESENTED BUT NOT READ:**

**MANITOBA CORN GROWERS  
ASSOCIATION INC.  
Box 188, Carman, Manitoba  
R0G 0J0  
745-8661**

August 14, 1986

Mr. Glen M. Findlay  
228 Legislative Building  
Winnipeg, Manitoba  
R3C 0V8

Dear Mr. Findlay:

On behalf of the Directors of the Manitoba Corn Growers Association Inc., I wish to express the concern of our Association in regard to Bill 4, The Family Farm Protection Act. Our concern is primarily with the power of the Cabinet to impose foreclosure moratoria.

While we appreciate there has to be something done to protect farmers, we question this approach to the problem. We are concerned about the financial repercussion on all farmers and agri-business in relation to obtaining financing.

The Canadian Bankers' Association has indicated this proposed legislation would have serious negative long-term repercussions for the very people it is supposed to help, the farmers themselves. They are concerned that if this legislation is adopted they will have no guarantee of the safety of their security during the complex stay of proceedings called for.

The Manitoba Corn Growers Association Inc. administers a program for our membership under The Advance Payment for Crops Act. This year we have applied to the Federal Government for \$5 million under this program. I am sure you will appreciate the concern of our Board of Directors regarding the safety of our security as it pertains to the administration of the Cash Advance Program.

Our Board of Directors feels additional assistance to farmers in need could be offered either through loan guarantees or direct government lending. We feel this approach would directly benefit those farmers most in need and yet not jeopardize the complex financial arrangements between banks, farmers and agri-business.

While 5 percent of our farmers are in serious financial difficulty, we feel it is very unfair to penalize the other 95 percent to aid those in distress.

Thank you for this opportunity to express our viewpoint on this proposed legislation.

Respectfully yours,

MANITOBA CORN GROWERS ASSOCIATION INC.  
Jim Abbott, President.